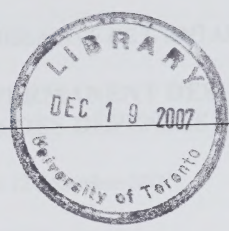


A20N
C26
E77

Government
Publications

82

E-1



E-1

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Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 12 December 2007

Journal des débats (Hansard)

Mercredi 12 décembre 2007

**Standing committee on
estimates**

Organization

**Comité permanent des
budgets des dépenses**

Organisation

Chair: Tim Hudak
Clerk: Sylwia Przewdziecki

Président : Tim Hudak
Greffière : Sylwia Przewdziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 12 December 2007

Mercredi 12 décembre 2007

The committee met at 1536 in committee room 1.

ELECTION OF CHAIR

The Clerk of the Committee (Ms. Sylwia Przedziecki): Good afternoon. I would like to welcome you all to the standing committee on estimates. It is my duty to call upon you to elect a Chair. Are there any nominations?

Mr. Dave Levac: Madam Clerk, I nominate MPP Tim Hudak for Chair of this committee. None other could accomplish this task.

The Clerk of the Committee (Ms. Sylwia Przedziecki): Does the member accept the nomination?

Mr. Gilles Bisson: On a point of order, Madam Clerk: There could be more nominations.

Mr. Tim Hudak: I accept the nomination. I'm honoured that my colleague Mr. Levac has bestowed the honour of a nomination upon me. I'm caught a bit off guard, and I want to thank all the other members of the committee for their kind comments and encouragement.

Interjections.

Mr. Tim Hudak: You know what? Gosh, darn it, yes, I will accept the nomination to be Chair.

The Clerk of the Committee (Ms. Sylwia Przedziecki): Are there any further nominations?

Mr. Gilles Bisson: I just want to welcome you as the clerk of our committee. We know that you're going to work hard on our behalf, and my job is to make sure that I push you all the way.

Mr. Dave Levac: That's not a nomination.

The Clerk of the Committee (Ms. Sylwia Przedziecki): There being no further nominations, I declare the nominations closed and Mr. Hudak elected Chair of the committee.

The Chair (Mr. Tim Hudak): Well, thank you, my colleagues all. It turns out those bottles of whisky that went around were worth it, and I'm glad to be back in the chair.

I have some—

Mr. Dave Levac: Wine.

The Chair (Mr. Tim Hudak): Wine?

Interjection: VQA.

The Chair (Mr. Tim Hudak): VQA Ontario wine.

ELECTION OF VICE-CHAIR

The Chair (Mr. Tim Hudak): There is some other business that we need to attend to. It's my duty to call upon a Vice-Chair to be elected. Are there any nominations for the position of Vice-Chair? I'm going to go with Monsieur Bisson.

Mr. Gilles Bisson: Thank you very much, Mr. Chair, and I want to congratulate you on your election to the chair of this august committee. I would move Garfield Dunlop as Vice-Chair of our committee.

The Chair (Mr. Tim Hudak): Garfield Dunlop has been nominated in absentia for the position of Vice-Chair.

Interjection.

The Chair (Mr. Tim Hudak): I do recognize somebody is sitting in Garfield Dunlop's seat, but I'm not clear if that's Mr. Dunlop.

Mr. Gilles Bisson: I just want to say that I'm pleased to accept the nomination from my good friend Mr. Bisson.

The Chair (Mr. Tim Hudak): But having spoken to Garfield before, I know he is interested in continuing to serve, so he has been nominated in absentia, which I believe is in order.

Are there any further nominations for the position of Vice-Chair?

Mr. Dave Levac: None other could fill it.

The Chair (Mr. Tim Hudak): Seeing none, Mr. Garfield Dunlop from Simcoe North is the Vice-Chair of the standing committee on estimates.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Tim Hudak): Now a subcommittee has to be appointed, right? Here we go. We're going to need somebody to move a motion of subcommittee.

Mr. Dave Levac: Mr. Chair, on behalf of the government side, I would like to nominate Mr. Lou Rinaldi to be our subcommittee member, and—I'm not sure. Mr. Gilles Bisson from the NDP has signalled that his name could be put forward for subcommittee and my understanding is that Mr. John O'Toole would allow his name to stand as a member of the subcommittee. I therefore offer that slate for our consideration.

The Chair (Mr. Tim Hudak): Mr. Levac has moved that a subcommittee on committee business be appointed

to meet from time to time at the call of the Chair, or on the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee, from Mr. Levac's nomination, be composed of the following members: the Chair as chair; Mr. Rinaldi; Mr. O'Toole; and Monsieur. Bisson; and that substitution be permitted on subcommittee.

Are there any other nominations for subcommittee members?

Mr. Dave Levac: That was my full motion.

The Chair (Mr. Tim Hudak): Any discussions or comments on the composition of the subcommittee? Seeing none, all those in favour? Opposed? It is carried.

We look forward to meeting with the subcommittee to discuss the next items of committee business.

Mr. Dave Levac: On a point of order, Mr. Chairman: I would be remiss in not congratulating you on ascending to the chair, but also thanking the clerks and the staff for all their work.

Also, to my committee members, a very merry Christmas, happy seasons, happy new year and happy Hanukkah.

The Chair (Mr. Tim Hudak): I would say, what a swell way to kick off the estimates committee for the new session of the Ontario Legislature. I do want to thank Katch Koch, our former clerk, who has now moved on to the—you're staying with the auditor's committee. Is that my recollection?

Mr. Katch Koch: Public accounts—

The Chair (Mr. Tim Hudak): The public accounts committee and social policy. We thank him very much for his outstanding service over a number of years at the estimates committee.

We welcome our new clerk in this capacity as the clerk of estimates. I don't know what you did you to earn this particular committee to hang around with almost on a weekly basis when estimates are in session, but we wish you the best and congratulations on this position.


Is there any other business?

Mr. Gilles Bisson: Just a quick comment. Having sat on this committee off and on for some five terms now, I don't know if we've ever been given these resource binders at the beginning of a committee, but if we were, I don't remember. But I want to say to the clerks for putting it together, job well done. I think that will assist our members, especially newer members, in regard to what the mandates of our committees are and the history of what we do and all that. So I just want to thank you for putting this together. I greatly appreciate it.

The Chair (Mr. Tim Hudak): Kind comments, Monsieur Bisson. All agree, I would think. Thank you very much for putting that package together, we say to our new clerk.

Seeing no further business, we are adjourned, folks. Thank you very much, and we look forward to an outstanding session of estimates in the new year.

The committee adjourned at 1542.



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CONTENTS

Wednesday 12 December 2007

Election of Chair	E-1
Election of Vice-Chair	E-1
Appointment of subcommittee.....	E-1

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr. Tim Hudak (Niagara West–Glanbrook / Niagara-Ouest–Glanbrook PC)

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Substitutions / Membres remplaçants

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STANDING COMMITTEE ON ESTIMATES

Tuesday 15 April 2008

The committee met at 1546 in room 228.

ORGANIZATION

The Chair (Mr. Tim Hudak): Good afternoon, folks. I'm going to call the standing committee on estimates to order for our consideration of estimates for the 2008 season. I know members are all very anxious to proceed with the drafting of the ministries, but first I'm going to read a statement to make sure that we're all clear on the rules for proceeding.

As you know, the Lieutenant Governor has transmitted the estimates of certain sums required for the services of the province for the year ending March 31, 2009, to the Legislative Assembly. Pursuant to standing order 58, these printed estimates, upon tabling, are deemed to be referred to the standing committee on estimates. All members of the House should have received a copy of the 2008-09 expenditure estimates when they were tabled on April 9.

The objective of today's meeting is for the members to select the estimates of certain ministries or offices for detailed review by the committee, and then to decide when to begin the consideration of the selected estimates. Standing order 59 sets out the process by which the committee makes its selections. Essentially, each of the recognized parties on the committee is entitled to select either one or two ministries or offices in each of two rounds of selection. The official opposition selects first, followed by the third party, then by the government. After two rounds of selection by the recognized parties, the committee will have selected anywhere from a minimum of six to a maximum of 12 ministries or offices for review.

Each party also determines how much time is to be allotted to the consideration of each ministry or office selected. A maximum of 15 hours is permitted per selection. If only one selection is made on the first round, that single selection could be reviewed for a maximum of 15 hours. If two selections are made in a round, both of them are reviewed for a combined maximum of 15 hours. It is up to the party making the selection to determine how the 15 hours are to be divided between the two ministries chosen.

At the conclusion of two rounds, a maximum of 90 hours may be allocated for the review of the selected ministries or offices. The ministries and offices are to be

COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Mardi 15 avril 2008

reviewed in the order in which they were chosen; the order may only be changed by an order of the House.

The estimates of those ministries or offices not selected are deemed to have been adopted by the committee. As Chair, I will report those estimates back to the House, and they will be deemed to be adopted and concurred in by the House.

In accordance with standing order 62(a), the committee must make a report to the House on the estimates it selected and considered by the third Thursday of November this year. If the committee fails to report by the third Thursday in November, the estimates and supplementary estimates will be deemed to be passed by the committee and deemed to be reported to and received by the House.

Any questions on procedure going forward?

Mr. Garfield Dunlop: One question.

The Chair (Mr. Tim Hudak): Of course.

Mr. Garfield Dunlop: Chair, in the spring session, or for our first round, when you ask us for our selections, do we tell you our first two choices at that time?

The Chair (Mr. Tim Hudak): Exactly. We'll proceed with the official opposition's first two, followed by the third party's first two, the government's first two, and then back to the official opposition for your second batch of two.

Mr. Garfield Dunlop: For the fall session—

The Chair (Mr. Tim Hudak): We'll produce a rough schedule so people can anticipate, but I would anticipate that in all likelihood the second batch will be in the fall.

Mr. Garfield Dunlop: Thank you.

The Chair (Mr. Tim Hudak): Any other questions on process or procedure?

I am going to suggest that we begin the first day of hearings on Tuesday, April 29. That will give the first ministry called time to prepare for the committee and get their staff lined up. There are a lot of detailed questions they may be asked to answer, so I'm going to suggest that we give the ministry ample time to review.

Members will know that we meet every Tuesday and Wednesday, from the beginning of standing orders until 6 pm, until we get through the estimates, or the limit placed, as I described under the standing orders. There may be a special order in the House to have us sit outside of the time the House is sitting, but the general procedure is that we only meet when the Legislature is sitting.

There's another thing I wanted to do too. I know there are a number of members who haven't served on estimates before. Members will probably pop in and pop out of committee, as they see fit. The clerk was kind enough to put together some selections of Hansard over the years of estimates in action for various ministries. I appreciate her doing that, and she'll pass them out for your interest and review in your spare time. I think members who have been here before know that the procedure in estimates is unlike that of any other committee.

Lastly, at the beginning of each session, I have a standard message that I relate to the ministers and the ministers' staffs, indicating that if members have questions they can't answer at the time, we do expect the ministers to get back to the committee in a timely manner. It's always my hope and expectation that the standing committee on estimates will receive the full co-operation of all ministries and offices selected for consideration through the course of this new Parliament and that selected ministries will provide timely responses to the committee's requests for information. Some ministries are better than others. What we do is try to serve as a constant reminder to get those responses back to the members as quickly as possible. Any other questions on process before we start?

Okay. As I indicated, we will begin our selection of the ministries or offices for review, beginning with the official opposition.

Mr. Garfield Dunlop: We would like to start our session with the Ministry of Economic Development and Trade for seven hours, followed by the Ministry of Aboriginal Affairs for eight hours.

The Chair (Mr. Tim Hudak): To the third party for their first two choices.

Mr. Gilles Bisson: Ministry of Health for 10 and the Ministry of Northern Development and Mines for five.

The Chair (Mr. Tim Hudak): To the government member.

Mr. Lou Rinaldi: The Ministry of Research and Innovation for seven hours and the Ministry of Labour for eight hours in their first round.

The Chair (Mr. Tim Hudak): We'll now repeat the process for the second batch of ministries. Mr. Dunlop for the official opposition.

Mr. Garfield Dunlop: For the second session, the Ministry of Energy for seven and a half hours and then the Ministry of Agriculture, Food and Rural Affairs for seven and a half hours as well.

The Chair (Mr. Tim Hudak): Mr. Bisson, the third party.

Mr. Gilles Bisson: Ministry of Finance for 10 hours and the ministry responsible for apprenticeship training for five.

The Chair (Mr. Tim Hudak): Ministry of Training, Colleges and Universities?

Mr. Gilles Bisson: Pretty well, I guess.

The Chair (Mr. Tim Hudak): The government member?

Mr. Lou Rinaldi: Ministry of Public Infrastructure Renewal for seven hours and the Ministry of Municipal Affairs and Housing for eight.

The Chair (Mr. Tim Hudak): Terrific. That concludes that process. I remind members that there is no debate or votes on that. The members of the committee make their own selections. The Ministry of Economic Development and Trade will be the first ministry to come before the committee. We're all agreed on that start date of Tuesday, April 29?

Any further questions or comments by members of the committee?

Thank you for your timely responses. I look forward to seeing everybody on Tuesday, April 29. Have a good afternoon. This committee is now adjourned.

The committee adjourned at 1554.

CONTENTS

Tuesday 15 April 2008

Organization.....

E-3

STANDING COMMITTEE ON ESTIMATES

Chair / Président

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E-3

E-3

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Ministry of Economic
Development and Trade

**Comité permanent des
budgets des dépenses**

Ministère du Développement
économique et du Commerce

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STANDING COMMITTEE ON
ESTIMATES

Tuesday 29 April 2008

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 29 avril 2008

*The committee met at 1545 in room 228.*MINISTRY OF ECONOMIC
DEVELOPMENT AND TRADE

The Chair (Mr. Tim Hudak): Good afternoon, folks. The Standing Committee on Estimates is now in session for our regular meeting of Tuesday, April 29, 2008. We're here today for consideration of the estimates of the Ministry of Economic Development and Trade. This is a call of the official opposition for a total of seven hours.

Before we begin, I want to clarify the role of legislative research, Ray McLellan, to my immediate left, with respect to the ministry before the committee today. The research officer is assigned to the committee to support the work of the members of this committee. His or her primary function is to research and prepare briefings, summarize submissions made to the committee, draft reports to the House and, in the case of the estimates committee, to help committee members track the questions and issues raised during the review of estimates. We know that from time to time deputants before the committee may not have the information at hand.

The ministry, as you may know, is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer for efficiency's sake. Thank you.

Folks, as we know, too, the estimates committee regularly meets on Tuesdays and Wednesdays when the House is in session. This is the first ministry to come before the committee. I know notice doesn't always give ministers the opportunity to adjust their schedules, and economic development and trade does require the minister to travel more extensively than others.

Mr. Gilles Bisson: Far away as well.

The Chair (Mr. Tim Hudak): Far away as well.

I've discussed with members of the committee. The minister is unable to join us tomorrow, so my suggestion is that we do not meet as a committee tomorrow, and the clerk's office will work directly with the minister's office to try to make sure we get in the seven hours as soon as possible.

Hon. Sandra Pupatello: We can go until July, Chair.

The Chair (Mr. Tim Hudak): We hope that we'll—because I think as members know, there's a certain order.

Hon. Sandra Pupatello: I'm good with that. July is a good month.

The Chair (Mr. Tim Hudak): So we'll try to do that as quickly as we can, because the other ministries back up if we delay too long. Hopefully we'll find dates. I'll speak with members of the subcommittee. It may require meeting outside of the usual Tuesday and Wednesday to accommodate the minister's schedule, in which case we will need consent of the Legislature. But that will maintain the tradition of estimates, to have the minister before the committee, and I appreciate the minister being here for the kick-off session.

Any questions on procedure?

Mr. John O'Toole: Does the time start at 10 to 4 or is it—

The Chair (Mr. Tim Hudak): When I bang the gavel, which I believe was about quarter to or so—the clerk is the official timekeeper—that's when we begin the time.

We'll now commence with vote 901. Folks who have been here before will know, but as a reminder, the minister can begin with an opening statement of not more than 30 minutes, followed by statements up to 30 minutes by the official opposition, followed by 30 minutes by the third party. Then the minister will have up to 30 minutes for a reply. After that, I divide up the remaining time equally among the three parties, beginning with the official opposition. Typically, those will be 20-minute segments. Any questions on process?

Minister, welcome to the committee. I would ask you to introduce folks sitting at the front table with you, and then please begin with your opening comments.

Hon. Sandra Pupatello: Thank you, and thanks so much to the committee. I look forward to interacting with you and telling you some of the story that is the work of the Ministry of Economic Development and Trade. I'm really pleased to have my deputy here with me, sitting to my immediate right, Fareed Amin. He and I both started on the same day at EDT, and I am just thrilled to have the support of the officials as we deal with the number of areas of activity that we've engaged in. So I'm very pleased that Fareed is joining me today. To his right, David Clifford is here. We happily call him the bag man of the ministry. He's in charge of all the finances and

keeps us on the straight and narrow and makes sure that our expenses never exceed what we said we were going to spend. Isn't that right, David?

1550

In any event, I'm going to shut this off so we don't interfere with your sound system. I'm assuming that's us doing that. RIM is a great Ontario company. I should say that.

I want to thank the committee for calling on EDT to be here before estimates because we think we've got a great bang-for-your-buck story when we talk about the work that's done by the ministry. I welcome this opportunity. There are a number of challenges that Ontario faces in the economy, and there are a number of great success stories, and we hope that we have even more time to get into some of those specifics. I think Ontario is a great story to tell around the world.

To achieve our mandate, we form partnerships with industry, with other levels of government. We promote Ontario's strength to international investors, help Ontario companies develop new markets, and all of this of course in an effort to attract investment and create jobs for Ontario families. We have a number of areas that we look at when we're going abroad or when we're right here at home. We want to retain what we have, expand Ontario business that exists, go around the world and bring more business to Ontario, and virtually every area of EDT focuses on these initiatives.

Our challenge—I think it's quite clear to many of us in this room and from the ridings we represent—is the slowing of the US economy, when 90% of Ontario, as a trading jurisdiction, in fact goes to the US and to the US economy. When they slow down, it can't help but have a dramatic impact on us, and that is indeed the case.

The strength of the Canadian dollar—no economist of any pedigree has ever been able to predict what's in fact happened to the Canadian dollar, and we're seeing that daily and we monitor that daily.

The high oil and energy prices are having a dramatic impact on Ontario as well. So what's good for some parts of Canada unfortunately creates more of a challenge for others, and that is what we're facing.

There is increased global competition for trade and investment. We might have been the only players in the field, chasing business to come to Ontario; now there are many more options for global companies. They can determine what continent they want to go to, and when they decide what continent, it becomes a much more focused and laser-like approach to suggest why Ontario should still be their choice and why they should still land here.

We've already shown that we're prepared to do what is necessary to partner with industry. I'm very happy to say that the Ministry of Economic Development and Trade is home to very talented and dedicated staff. The very nature of business, and business around the world, tells us that we have to be 24/7. Going on towards the end of my second year at this ministry, there have been numerous occasions where it has literally been a 24/7

operation, whether it's engaging with other parts of the world that are on a 12-hour time zone difference, or having to respond very quickly to business demands and that meant that we had to work around the clock to get something done on time, to make it happen. The EDT officials have really come through and I'm proud to represent them today.

We have a plan to meet the challenges we face. We believe we started implementing that in 2003 and we're well on our way to assisting in the implementation of a number of new initiatives that have come forward in successive budgets under the McGuinty government.

We know that to grow our economy, we've got to green our economy. So we want to talk about the Next Generation of Jobs Fund. It's a \$1.15-billion fund that is designed to create jobs in areas of great potential for us here in Ontario: clean automotive and other green technology, health and biotechnology, research and development, creative industries like digital media and information and communications technology, and pharmaceutical research and manufacturing.

I hope you might ask me some questions about some of the companies we visited that are expanding their operations in Ontario in some really cool sectors—maybe not as known to us in our generation but certainly to the children or grandchildren of people in this very room. What is an amazing story is the kind of people we produce in this province. The people are tailor-made for the new generation of jobs that is coming in, new sectors in Ontario all the time. So we've got some great anecdotes that I'd love to share with you about how the whole world views Ontario.

The fund will deliver good jobs for Ontario families by making Ontario the best place to develop and make those products for tomorrow. The focus of the Next Generation of Jobs Fund is in fact to say, "If we help you research, develop and commercialize that product in Ontario, it's because we want that product to be a world product. So let's help you get it here, let us develop it here, let us commercialize it here, so you can sell it all over the world, in keeping with our position as an export jurisdiction."

We know that opportunity doesn't hang around very long. Especially these days, decisions at company levels tend to be much quicker than they ever were in the past. That means that when they submit an application, a complete project proposal to the Next Generation of Jobs Fund, we have a 45-day guarantee. It's the first of its kind that we can find in any governmental jurisdiction, where a government actually gives a 45-day guarantee from the receiving of a full and completed application form to a decision in 45 days.

The business community has responded very well to this initiative, making us wonder where else across the government we can introduce a service-day guarantee, much like the birth registration, where it was 10 days or it's free. In fact, the impact of that was dramatic as well.

Our service guarantee is the first. We're saying to CEOs, "If you want this project done quickly, choose

Ontario.” Ontario needs to be the best place to develop new, innovative ideas and to be the best place to translate those ideas into products and services that we can market to the world. If we do this, Ontario will attract the most investment, create the best-paying jobs and secure the brightest future for our children.

By becoming a leader in greenhouse gas reduction, energy efficiency and green technologies, we'll ensure a clean and healthy future for our children as well. This is very much in keeping with our ministry's work and the work done by our colleague Ministry of the Environment. The fund is modelled after the half-billion-dollar fund called the Ontario automotive investment strategy. As the Premier said in the House today, it has leveraged \$7.5 billion of auto investment in Ontario. When so many other jurisdictions in North America have seen losses, we have seen a tremendous growth in investment, which bodes well in terms of the future of the auto sector.

To receive support, a project must provide economic and environmental benefits to Ontario and demonstrate innovation. It has to include investments or expansions that meet projected thresholds that we've set at \$25 million, or create or retain 100 high-value jobs within five years. And it has to be one of the priority investment target areas.

While the Next Generation of Jobs Fund will help Ontario become a leader in areas of high growth, we're also building on our existing strengths and partnering with our manufacturing and automotive sectors. We've often talked about the advanced manufacturing investment strategy. It began in 2005 as a half-billion-dollar loan program for manufacturers. The products we make can be made anywhere in the world, so to remain competitive we want to increase investment in advanced manufacturing activities and processes. Manufacturing accounted for 12.1% of Ontario's total employment just this past year.

The \$500-million advanced manufacturing investment strategy supports the incorporation of leading-edge technology and anchors investment and jobs in the province by helping Ontario manufacturers remain globally competitive. Some of the examples of those that have been successful through the AMIS process have brought new innovation and technology to Ontario. It has lifted their level of productivity. It has created a more green product. It has done something really innovative and clever. That's what we want to happen in Ontario.

In the 2008 provincial budget, we reduced the thresholds of the projects to 50 jobs created or retained, or \$10 million invested, making the program more accessible to small and medium-sized enterprises. This was in direct response to some of what we heard when we were out and about talking to companies, saying, “How can we help?” They knew that if they were smaller and their projects weren't as large, they weren't meeting the original thresholds that were set out by the government, and we've changed that.

We've also increased the program's incentive from a 10% interest-free loan to a 30% interest-free loan, giving

companies greater access to more capital at a lower cost and enabling them to undertake significant new investments in advanced manufacturing. This is really important because often people are saying that the banks are clamping down and it's harder to get access to capital. What has happened with this fund is, it often becomes the fund that leverages more interest by other segments of the financial world. We've often been the ones, because of our positive outcome on the application process, for them to be able to go to other banking institutions and get the support for the project as a whole.

1600

While Ontario has endured job losses in the manufacturing sector, it is important to remember that Quebec and some American states, including Michigan and New York, experienced significant manufacturing job losses just in this past year alone. Having just come back from China, there are states within China that have undergone massive restructuring, and they are seeing masses of job losses in some areas of China. Having been in India at the end of January, we also saw many Chinese companies looking to India in terms of where they might outsource the manufacturing that they currently do in China. There really is a world phenomenon—all of this movement going around and creating a very different playing field from what we saw even three or four years ago.

We know that through partnering with manufacturers we can help them invest in their Ontario operations and workforce and ensure that Ontario continues to have a strong and advanced manufacturing tradition. Since December 2005, AMIS has made loan commitments of over \$84 million to support innovative projects that will generate \$860 million in new investments and support the creation or retention of almost 4,000 jobs over a five-year period. AMIS is cost-effective. It's a prudent use of public funds. It is targeted, strategic interest incentives leveraged by the private sector investment to create jobs and increase innovation and competitiveness. It is about using partnerships, networks and teamwork to leverage the strength of each party for the benefit of all.

The agreements are dependent on the company meeting agreed-upon jobs and investment targets and are closely monitored by ministry staff to protect the taxpayers' money. Through our AMIS program, the recently announced Ontario Manufacturing Council and through targeted tax relief, Ontario's manufacturing sector will continue to be a source of good jobs for Ontario families and a source of pride for the province.

I wanted to chat about our automotive investment strategy. Everyone's got a role to play in the continued strength of our auto sector. Our auto investment strategy, called OASIS, was launched in April 2004. It allows Ontario to partner with the auto industry and the federal government on investment attraction and retention. The program also helps Ontario to more aggressively compete for investment with the US and Mexico.

Our recent partnership with Ford, for example, at the Essex engine plant in Windsor is a great example of the tremendous benefit of innovative partnerships between

government and industry. Our financial support leveraged a significant investment from Ford that will put 300 previously laid-off workers back on the job, and with support from the federal government, we can secure even more investment in this facility.

It goes without saying that we started our first two or three years with the OAIS program with the federal government as a helpmate. They, too, had worked their federal program to include the auto sector. That, after an election federally, was no longer the case. What has happened very recently, however, under the stewardship of Minister Prentice in the Ministry of Industry federally, we hope will bring some, although it's not a great deal of, support to the auto sector. There may be some opportunity when they announce their \$250-million, five-year research and development fund for auto. This clearly isn't enough, but at least it's an indication that they've moved from where their finance minister had said publicly that they would not support the auto sector—that perhaps they may still come into this and play a greater role in Ontario.

Our financial support leveraged a significant investment from Ford that will put our folks back to work. That's really the point of these programs. We came to the table quickly to work with Ford according to their timetable, and we're going to continue to aggressively pursue investments and support our auto strategy, support our climate change agenda and create jobs for Ontario families.

We've also made significant investments in the auto sector as part of our skills-to-jobs action plan. In this recent budget, you'll likely remember the \$22.1 million in the 2007-08 calendar year for the Toyota training centre in Cambridge and \$700,000 for research affiliated with the University of Waterloo; \$5.6 million is also targeted for Chrysler Canada employee training in Etobicoke, Brampton and Windsor. There is a significant change happening in the plant shop in all of our auto partners, and the level of training required is pretty phenomenal. We're very happy to be a partner with them in this.

We're investing \$15 million in the Initiative for Automotive Manufacturing Innovation, a joint venture of McMaster University and the University of Waterloo to develop new technologies to make cars lighter and more fuel-efficient. We have some great examples of innovation today, of what they're making wheels from. We like to joke around about the steering wheels that will in the future be made of hemp, and hence the joke, "If you can't drive it, you can smoke it." Nevertheless, they are being very creative, these young people at our institutions, figuring out what they can do with biomass, with alternative fuels, with all of these various innovations to make cars lighter and therefore more fuel-efficient.

Through continuing to show leadership and vision, the McGuinty government is ensuring the continued strength of the auto sector. Our auto strategy is protecting and creating jobs across Ontario. Without our efforts, the issues facing the industry, we believe, would be much worse. It

isn't just about the assembly plant and the effect it has on our parts suppliers—450 of them across Ontario, largely along the 401 corridor—that supply not just the American Big Three but also Honda and Toyota; we have a tremendous support system and infrastructure of manufacturing for auto.

The investment and trades section of the ministry continues to promote Ontario's strength to international investors and help promote Ontario businesses around the globe. Ontario offers numerous strengths to attract investment. We've got 60% of our workforce in Ontario with a post-secondary education. There isn't a country in the OECD countries that can boast this level of post-secondary education. More than \$12.5 billion in research and development is performed every year in Ontario. That's more than any other Canadian province. Ontario's federal-provincial combined general corporate income tax rate and our combined CIT rate for manufacturers is lower than the combined federal-state CIT rate in all of the 50 US states. With our new Next Generation of Jobs Fund and a refreshed AMIS program, we have significant tools in the toolbox to help tip the scales in favour of choosing Ontario, and we're letting the world know about it.

We had a mission to India in 2007. In January 2007, I joined Premier McGuinty and Minister Takhar, Minister of Small Business and Entrepreneurship, in a trade mission to India to promote trade and investment and build opportunities for Ontario businesses. One hundred and one delegates from 87 organizations participated in a four-city mission to New Delhi, Bangalore, Mumbai and Punjab. Over 800 Indian guests attended the Ontario networking events throughout the mission. We had a phenomenal success story there. A total of 35 agreements were signed during the mission between Ontario and Indian organizations. Building on the momentum of that mission, this January I led a delegation of 11 Ontario companies to exhibit and participate in Auto Expo 2008, the largest automotive sector trade show in India. Just for a little bit of comparison, they have a million people attend their auto show in a place just outside New Delhi.

We have the innovative and high-quality products and services that growing Indian businesses are looking for. Our highly skilled, highly educated workforce makes Ontario an attractive investment destination for Indian investors, of which there are more and more every day. From 2002 to 2007, Ontario exports to India grew 258%. With the strong cultural connection between India and Ontario, there is a tremendous opportunity for increased bilateral trade and investment. So we hope this is going to continue.

Just as an anecdote, I was chatting with a company out of Scarborough very recently which is now an auto parts supplier for the new Nano, which is Tata's new car, billed at going to the marketplace for one lakh, or about \$2,500. It's pretty exciting to see an Ontario company supplying parts for Tata in India.

The China mission: Attracting investment and developing international markets is an important part of our

strategy for growing our economy. Business visits by senior government representatives provide tangible results in enhancing the economic growth of Ontario. I have recently returned from Beijing, Nanjing and Shanghai in China. The government recognizes the importance of addressing human rights concerns. We believe that active engagement with our trading partners, such as China, is the most effective means of ensuring an opportunity to raise issues of concern when they arise.

China is a key emerging economy and Ontario's second-largest two-way trading partner and it's important that we continue to develop our trade relationship. Our efforts are working. Since 2004, Ontario's exports to China have increased 74%, to \$1.4 billion. In 2007, Ontario exported \$135 million worth of automotive components to China. There are 25 Chinese-controlled companies, including those from Hong Kong, operating in Ontario and providing employment for the people of this province. Our goal is to add to that number.

1610

One of the key elements of my trip to China was the official public launch of the Ontario International Marketing Centre in Beijing, which has been operating since November of this past year. More than 100 guests, both Chinese and Canadian, attended the launch event. We've got some great staff working out of our Beijing office. This is Ontario's second international marketing centre in China. The first was opened by the previous government in Shanghai in 2002. These on-the-ground centres in China and elsewhere are pivotal in helping to advance Ontario's trade and investment interests in global markets. The trip also built on the solid foundation laid by the Premier himself. His trade mission of 2005 was to China.

Establishing government relations abroad is vital to enhancing economic development and provides Ontario companies with support and introductions to key decision-makers. I think it's fair to say that some cultures appreciate governmental official delegations more than perhaps other cultures, and I would say that the places we have targeted are those where ministers attending, in fact the Premier attending, will open doors for our business community in those markets.

The McGuinty government's global perspective is creating jobs and prosperity in Ontario. Toyota's investment in Woodstock was due partly to our proactive and ongoing promotion of Ontario in Japan and the Asia Pacific region.

Our mission to Mexico: In May, I'm going to officially open our International Marketing Centre in Mexico City as a demonstration of our commitment to expanding and strengthening our economic relationship with Mexico. We need to have a permanent presence in Mexico. It's important for me to personally visit in order to develop and strengthen those relationships. In 2007, Mexico was Ontario's fourth-largest export market, valued at more than \$2.1 billion, and our exports to Mexico have jumped an average of 18% per year over the last five years.

We've seen the effect of the slowing US economy on Ontario's economy. When our largest trade partner experiences a period of slow growth, Ontario's economy is also impacted. Through our efforts, Ontario exports are diversifying, and this is important.

In 2001, exports to non-US markets accounted for 7% of Ontario's merchandise export value. In 2007, they account for 16%. Mexico, China and India are all part of this expansion.

We've done a number of other things that I think are truly innovative.

The Alberta mission: In addition to helping Ontario business diversify their international markets, we're helping Ontario companies take advantage of the remarkable opportunities in Alberta, fuelled by the oil sands. Many probably don't realize that of all the billions of dollars being poured into the oil sands in Alberta, \$110 billion of GDP activity is being generated right here in this province already, and that's because so much of our manufacturers stand to gain and benefit when they contribute to the requirements in Alberta. We think we can do more.

In March 2007, I led a delegation of more than 220 participants, representing about 140 companies, to the National Buyer/Seller Forum in Edmonton. The Ontario delegates found the event beneficial. It generated new sales leads, provided networking opportunities, information and learning sessions. In fact, we put on sessions two days before the official show started so we could bring in experts to teach our manufacturers about the oil sands, how their business works, where they can fit into the supply chain of the OEMs of the oil sands, if you will, and it was successful.

The objective of the Ontario-Alberta oil sands initiative is for Ontario companies to partner with Alberta suppliers and help meet the needs of \$147 billion worth of announced oil sands projects. That's work still to be added to the current oil sands projects. We think our approach is paying off. As a result of our efforts, many Ontario businesses have now established partnerships with Alberta companies and have gained new business.

For example, we're aware, because we partnered with the Canadian Manufacturers Association, that over 60 contracts have been signed since our first trade mission, and we were back again this past March. For example, Ontario manufacturer Global Vehicle Systems announced that it secured a contract with Calgary-based RS Technologies to modify a new, innovative utility pole manufacturing process and manufacture composite utility poles here in Ontario, in Tilbury. The companies say their partnership could create as many as 100 high-value jobs in Ontario just in the first year of the contract. It's quite fascinating to see that since they've opened their doors in Tilbury, and I pass by their spot on the highway all the time—I have four minutes? Mr. Chair, I have so much good news to say.

The Chair (Mr. Tim Hudak): I know. You do get 30 minutes to wrap up as well, Minister.

Hon. Sandra Pupatello: Thank you.

They landed a contract in Hawaii, so they add a little bit of colour to the resin to turn the utility poles brown so that they'll fit in with the coconut trees when they post these utility poles—very clever, but again generating an awful lot of good work in Tilbury.

We have a number of other areas of interest that we are moving forward with. The Communities in Transition I think should be of interest to this group because so many around this very table have benefited in their community from the Communities in Transition program, where we're targeting communities that truly need help to move to new economies.

The eastern Ontario development fund is a special outreach to eastern Ontario, where issues or challenges have been more chronic and we need more help to respond. We're working with a number of communities to support really great projects to make it work for those communities.

Just to conclude these brief remarks, while I look forward to the questions, we've shown that we're going to do what's needed in partnership with industry, with workers and with other levels of government to reduce layoffs, to assist those who lose their jobs. I work with our sister ministries on a regular basis so that we can move forward with a common front. We plan to meet the challenges that currently face Ontario.

We've got to get better results faster, in partnership with the federal government. We're going to continue to call on them for more support for Ontario. We are generating billions of dollars for the federal coffers. We believe it's time that the federal government paid more attention to Ontario.

I'm very proud of the work that's done by the great staff at EDT and in my own office, and we think we're moving forward in the right direction. Last year we attracted \$477 million in new investment—and 6,900 jobs in strategic industries. We're securing jobs and investments in Ontario. We're proud to say that, and we're proud to say that we have more work to do, and we look forward to getting to it.

The Chair (Mr. Tim Hudak): Minister, Assistant Deputy Minister, thank you very much for the opening presentation.

As I mentioned, now 30 minutes to the official opposition, followed by 30 minutes to the third party, and then, Minister, you'll have 30 minutes to wrap up these opening parts of the Standing Committee on Estimates. You have 30 minutes, Mr. Chudleigh.

Mr. Ted Chudleigh: Thank you very much, Chair. If I could, I would make a very brief opening statement, then pass it to other members of our committee to do likewise, and then perhaps we could move straight into questions to fulfill the 30 minutes, if that's appropriate.

The Chair (Mr. Tim Hudak): I encourage as many questions as possible.

Mr. Ted Chudleigh: I'm interested in the ministry's plan. In the results-based plan briefing book from the Ministry of Economic Development and Trade, you talk about key performance measures and the ministry results.

The ministry results are measured by tracking, and I point out that your tracking devices measure the investment dollars leveraged by the automotive investment strategy and the advanced manufacturing investment strategy programs. You also measure new investment dollars attracted in strategic industries, you measure jobs created and retained, and you measure exporters assisted. You do not measure jobs that have disappeared. You do not measure unemployment rates, which are skyrocketing. You do not measure outward migration; 70,000 people or so have moved to other provinces. You do not measure the rate of economic growth. You do not measure things like lost jobs—900 at GM in Oshawa. You do not measure the 400 jobs lost when Campbell's closed their Listowel plant.

Minister, I would suggest, and I'm sure you'll want to comment on this in your wrap-up, that it's no wonder you think that Ontario is such a rosy place to be when you measure by these standards. In fact, if you measured by these standards in any jurisdiction in the world, it would be a wonderful place to be, and we know there are many places in the world which are not.

1620

Ontario was always the bedrock of industry in Canada. The Ministry of Economic Development and Trade was certainly the ministry that drove and protected that bedrock for this province. It was one of the most important ministries in the government from an economic sense because, without that strong economy, we can no longer afford to do the kinds of social programs your government talks so much about, but in the future is going to be so unable to pay for. We haven't protected the economy of this province in the same degree that we should.

I'd like to get into some of the ways this ministry and this province, and the industry within this province, can be protected on a more realistic basis when we get into questions. I would now like to pass it to other members of the committee for their comments.

Mr. John O'Toole: Thank you very much. Again, I just want to acknowledge the minister out of respect for coming before the committee and hopefully get the chance to spread—you said you had a number of challenges. That's probably a longer list than the number of successes that you mentioned you'd like to talk about. I think our critic, Mr. Chudleigh, on this file is doing a diligent job in terms of trying to publish the accountability mechanism, the numbers. Where are the numbers? We see the number in question period every day: 200,000 and growing. It's got to be concerning.

I also want to differentiate your role from the ministry's. The ongoing people I've seen here for the last 10 or 12 years and have the greatest respect for, including in that your deputy who's new, I'm sure bring—you're the leadership, you're setting the direction of the compass, and it appears to me that the compass is on a gyroscope right now, kind of spinning around from China to Mexico.

If you look at the economy and the serious lack of a plan, the scattering of dollars here and there—I asked a

question today about the \$235 million in what you call skills to jobs, or the Canadian auto investment strategy. It's like Mr. Chudleigh's question. What of the accountability? What are the measurements of success, or determinants on success, in the program?

Questions have been asked by all parties, including your own, trying to bump up the investments in Dell and the high-tech sector. Yet we see almost dollar-for-dollar job losses. You've got \$11 million invested—it's not quite 11 million people laid off, but close to 1,100. We're looking to find out where the strategy is. Where's the leadership here? Dalton seems to sort of teeter-totter around—"Don't worry, be happy"—not listening to the federal government and the overall strategy for Canada.

I'm here because of the auto sector. I spent 30 years there. They need to re-strategize and reinvest; I get that. But it looks like the investors themselves, whether you look at Ford, Chrysler or General Motors—and now you're talking about this other car, whatever it's called, from China, this \$2,500 car, that they're going to be here. Where are the jobs in that when you're building a low-market entry car?

The strategy, to me, is weak and vulnerable for the people who are looking for strong, well-paying jobs. There's no security component with the agreement you've made with the auto sector strategy. In fact, that might be said about the technology sector.

The biggest thing is that we got the budget. I see especially the newer members here. They'll see this after 10 years. So \$1.5 billion: Those are taxpayer dollars, so you're really raising taxes somewhere. Mr. Chudleigh has asked, "Where is it going? Where's the strategy?" Hopefully we'll get some picture of that as you're cross-examined here. But I'm not confident.

Where are the jobs—1.5, skills-to-jobs action strategy. So where are the jobs going to be? Picking apples? What is it that they're going to be doing? We need to have a plan, and you'd be able to tell us that plan in 35 words or less, or some small paragraph, not some kind of—the stuff we hear in question period every day is a bunch of smoke and mirrors. There are other words, but words escape me just now.

I would like my colleague from Oshawa, Jerry Ouellette, to—we're both perplexed about this strategy. General Motors wants to keep the jobs; the CAW wants to keep the jobs. We've got to be competitive.

You said it on the energy file. I don't see a strategy for ethanol. What is the strategy? We've got the Kawartha project that Lou Rinaldi and Jeff Leal are working on, and you're failing to put the money there. We need that money. Leona Dombrowsky has to put up the money for the ethanol plant in—I think the plant is in Leona's or Lou's riding.

Mr. Lou Rinaldi: You're wrong again.

Mr. John O'Toole: It's in the Peterborough riding, I guess.

I have met with those people. Is the ethanol plan going to be from corn or is it going to be from cellulose? We

need to know where you're going so we can work together.

I'll leave the next few questions to the member from Oshawa. All of his constituents will be unemployed by the time you get the job done. That's a bit scary, but—

The Chair (Mr. Tim Hudak): That's a little harsh.

Mr. John O'Toole: —you're in charge.

Mr. Jerry J. Ouellette: I thank the minister for the opportunity to come today.

Having had the privilege and honour of sitting in a ministry role in the past, you certainly gain a different perspective sitting at the table and gain another perspective of how you can assist the province. Quite frankly, the bureaucracy comes forward with recommendations as to how they best see that we can improve situations.

I believe we're going to get into a question session shortly. I have a considerable number of questions that pertain to the auto sector as well as the forestry sector.

My concern that I'd like to express is that the strategy isn't working. We're seeing a commitment or what I would call a push strategy by the current government to try to push manufacturing in the province of Ontario, as opposed to a pull strategy. I can remember very well that some of the biggest complaints from the workers at General Motors, when we had the privilege and honour to govern the province, were that there was too much overtime and they didn't want to work seven days a week. Now, it's not quite similar. We've just heard about another 1,000 jobs that were lost in Oshawa. We need to come forward with some sort of a plan.

We hear about the dollar, we hear about the cost of fuel, yet I would like to know, and hopefully we'll get around to that, who went with you to markets such as China and what industries went there with you—to hear what perspectives they came forward with and what knowledge they gained or what markets we would be able to open up to assist the workers in the province of Ontario.

I've introduced a number of bills to try to assist the auto sector, because I see it as being very in-depth and very complicated, in that things are happening there.

The recent announcement at General Motors in Oshawa is concerning. However, there is a more concerning announcement that was made out there by Ford. Ford broke with pattern negotiations. For the first time, you're seeing a major automotive company breaking from pattern negotiations and moving to set up a three-year deal outside the normal negotiation pattern, which is a very concerning issue. The standard process by the CAW is to target one location, whichever the target company may be, and then that sets the pattern. It's the same in other sectors. In the policing sector, it happens to be the Metro Toronto police force. Once they establish what their salaries and wages are going to be, it sets a precedent for the rest of the province. Ford, having broken with that and gone forward with a three-year negotiated deal, certainly indicates that there seems to be some scrambling within the industry and sends a strong message out there that there has to be a lot done.

I'm hoping that we're going to hear a greater plan that will be able to assist in some of the outreach areas, where we can find markets that our product will be able to be sold in and where we can create a pull strategy to pull the products out to make them want to manufacture them here in the province.

I'll pass it on to my colleague Garfield. Hopefully, we'll get into some questions shortly.

Mr. Garfield Dunlop: Thank you very much, Minister, for being here.

As we lose our large manufacturers, a lot of the time we count on our smaller businesses to pick up the slack. Hopefully, there'll be some economic development around a lot of smaller construction companies and businesses in our communities across our province.

Minister, it really doesn't have anything to do with your ministry, but I would ask you if you would take it to the cabinet table and talk to your Minister of Training, Colleges and Universities, and that's this whole problem around apprenticeship ratios. The reality is that in Ontario, once you have nine employees, it's a 3 to 1 ratio—three tradespeople for every apprentice. We're the only province in the country that has that. Everything else is one to one. I think it's an opportunity, as young people try to seek employment, when we're trying to retrain people—there's one thing about sending them to a youth apprenticeship program or Passport to Prosperity, but when they can't actually get the apprenticeship position in a small company, then it creates a real problem. If we could change that regulation so that we could have one-to-one ratios for our construction and manufacturing trades—this question's been brought up in the House a few times, of course, but I think it's something we're missing the boat on.

1630

I'm very passionate about this because I come from a construction background and I hear it almost every day from people I used to work with etc. I don't expect you to give a solid answer today, but I certainly hope it's something you could take back and discuss with your cabinet colleagues, particularly Minister Milloy, because I think we're missing the boat on this. It's an opportunity. When we slip into more recessionary times, we can take advantage of some of our young people getting apprenticeship positions. It's really just a statement, and I'd ask you to do that.

Mr. Ted Chudleigh: Minister, if I could ask a question, I'd like to talk about the Institute for Competitiveness and Prosperity. I'd like to ask what this institute is, to start off with.

Hon. Sandra Pupatello: We were very delighted to once again be supporting this institute affiliated with the University of Toronto and the Rotman School of Management. It is under the leadership of Roger Martin, who, as you know, is very much an acclaimed economist, writer, teacher, and has become a very good adviser to our ministry and the Premier. We think it's his kind of insightfulness—not just what's happening in Ontario but what's happening around the world in other jurisdictions,

so we can make fair comparisons and not do it just on anecdote but really very studied comparisons. It gives us an opportunity to use real, hard data as we go forward in our policy-making. That's really the point of the kind of funding that we've provided to them. They have required hard capital for building, and we're really delighted with the kind of performance they've given to the government of Ontario.

Mr. Ted Chudleigh: Is there a specific plan or a specific document that tells us what the commission does for the ministry?

Hon. Sandra Pupatello: They release regular Ontario annual reports. They also do Canadian reports, and they are on call, if you will, in a number of ways to the ministry in terms of work that we're doing. They are assessing Toronto's financial services cluster, for example. So as we've moved to a lot of sectoral work across industries in Ontario, we've had to do a lot of research to dig up and have really good data to work from in terms of how they succeed on a competitive basis, what areas are lacking, for example. Frankly, we use him as a very high-end tool for us to know that we're getting very good at this.

Mr. Ted Chudleigh: Could we get a copy of the document that they work on?

Hon. Sandra Pupatello: Actually, his documents are made public and they're posted on his website. You can access them. We get an advance copy. I think our ministry sees him and sits down with him about a week before they're published, but all of his documents are made public.

Mr. Ted Chudleigh: The results-based plan says that it provides research. Is that research specifically dealing with the Canadian economy, the Ontario economy, or are there other economies around the world that it focuses on specifically as opposed to just all other economies? Which economies do they watch?

Hon. Sandra Pupatello: They do a regular review of what's going on in the world, obviously, as it impacts on Ontario. They do sectoral—

Mr. Ted Chudleigh: I wanted something more specific than just the world.

Hon. Sandra Pupatello: He does very focused work on Ontario. We have started looking at our ministry in a very sectoral way, so that we'll get him to do work by cluster, by sector. We look at Canada's global leaders, how they work, why they work, so that we can take good advice over what kind of performance global leaders in Canada have and how we can spread that kind of information to those who don't—

Mr. Ted Chudleigh: So is there regular communication between the ministry or yourself and the institute?

Hon. Sandra Pupatello: We meet on a regular basis, at least quarterly, if not more. They make themselves available to us, Roger Martin and his staff, on a regular basis to me, my deputy, the ADMs of various departments within EDT.

Mr. Ted Chudleigh: These are formal, sit-down sessions?

Hon. Sandra Pupatello: In the boardroom—mine, the deputy's—on a regular basis.

Mr. Ted Chudleigh: And you attend these meetings yourself, personally?

Hon. Sandra Pupatello: I meet with him on at least a quarterly basis. When he has his reports that are coming due and that are made public, he comes in advance for those reports as well, to give us an update and a detailed walk-through of the reports before they're posted.

Mr. Ted Chudleigh: And the reports are quarterly?

Hon. Sandra Pupatello: Some are annual. Deputy, do you have more detail?

Mr. Fareed Amin: As the minister said, some of these reports are annual. Or if we ask him to provide a specific recommendation in certain sectoral issues, those ad hoc reports might be more frequent.

Mr. Ted Chudleigh: And are they public?

Mr. Fareed Amin: The reports are normally posted at the Roger Martin Business School and at the University of Toronto website.

Mr. Ted Chudleigh: So they are public?

Mr. Fareed Amin: That information is public.

Mr. Ted Chudleigh: All the reports that he submits to the government are public?

Mr. Fareed Amin: The annual report that he submits to us comparing our competitiveness to other jurisdictions is public. I can't say for sure that all the reports are public.

Mr. Ted Chudleigh: Would you let us know if they're all public?

Mr. Fareed Amin: We can get back to you on that.

Mr. Ted Chudleigh: What kind of recommendations does the institute make on their annual reports?

Hon. Sandra Pupatello: Generally, it's a presentation of data and what those trend lines would mean. So I'll give you an example of a debate that we'll have in our board room: Roger Martin is of the view that productivity gaps between, say, a typical US economy and an Ontario economy, one of the reasons for that, is there is more of a ruralization, he calls it, in Ontario versus the US. In other words, people in the US rush from their small towns into big cities. The average wage rate of a job in a city is higher than the average job in a rural community. So just because they have more people in urban than they do rural, he feels that's one significant reason that there's a gap in productivity.

So our debate will be—policy-wise across our ministries, whether it's OMAFRA, rural affairs etc.—does that mean that we should be pushing people from our rural small towns into our cities? I think that debate would rage for some time in your caucus as well as ours, as to the merits of living in small-town Ontario or living in a big city.

But this is the kind of information he presents to us. He will tell us what these markers are. There will be some of those we're going to agree on and say, "Yes, that fits within a policy that we can work with or can be controlled by a subnational government policy." Some can't.

We'll have a discussion about what he calls smart taxes, as opposed to the tax structure that exists in Canada and provincially. He suggests the irony of some of the countries like Sweden, for example. Any of those countries in those regions that have had a history of a more left-wing government politically, ironically, have moved more toward personal income tax rate hikes, decreasing corporate taxes, and the reverse seems to be true in North America. So it's this kind of dialogue about what's a smart taxation that works for business in Ontario.

Mr. Ted Chudleigh: So these are reports that you spend a lot of time with? You read these reports personally?

Hon. Sandra Pupatello: These are reports that cause us to have major debates, because it leads to either policy that I would want to advance from EDT to our Premier—it may end up being policy that will be policy of the government or not. There will be things that I'll argue that he's tabled for us, because we don't agree or it doesn't fit with our political philosophy. But if we don't have that opportunity to debate these items and do it on the basis of fact and not political rhetoric, which is what we often get into in our business—I think you want good, evidence-based decision-making.

Mr. Ted Chudleigh: Do you recall some of the recommendations that the November 2007 report raised concerning Ontario's competitiveness and prosperity?

Hon. Sandra Pupatello: One of the items of that last debate that he and I had, in fact, was around ruralization in Ontario versus the US, yes.

Mr. Ted Chudleigh: You recall them saying anything about Ontario's tax rates on new business investment?

Hon. Sandra Pupatello: No.

Mr. Ted Chudleigh: Was there a recommendation in that report that said Ontario had the highest tax rates on new business investment in the world, and it recommended that you reduce those tax rates?

Hon. Sandra Pupatello: Roger Martin's position, since the beginning of time, or since he was a doctor, has always been to lower business taxes. That's his standard position, yes.

Mr. Ted Chudleigh: But you don't recall the report saying—

Hon. Sandra Pupatello: No. As a matter of fact—

Mr. Ted Chudleigh: You're paying this organization over \$1 million a year, and you're ignoring their recommendations?

Hon. Sandra Pupatello: Roger Martin has called for lower corporate taxes everywhere he's been in the world, including in the US where he spent the bulk of his career.

Mr. Ted Chudleigh: Does the report say anything about how to go about making Ontario more attractive to new business investments?

1640

Hon. Sandra Pupatello: No, but what I will do is I'll provide you a copy of that report, and you can have a look at that. He has made a number of very good recommendations, some of which we followed.

Mr. Ted Chudleigh: The report specifically recommends reducing business tax to make Ontario more competitive. This is an organization to which you're paying \$1 million a year in order to get recommendations from them. They've given you two recommendations, one to reduce taxes on new business investment and the second to reduce the rate of taxes on businesses generally, and you've ignored both those recommendations. Why are you paying these people \$1 million a year to ignore their recommendations?

Hon. Sandra Papatello: I think it's fair to say that Roger Martin provides the Ontario government with very good, solid advice, opportunities to debate, the opportunity to have philosophical differences and understand how we, as a Liberal government—

Mr. Ted Chudleigh: You could probably find someone, Minister, with respect, for \$100,000 a year and ignore their advice equally as well as you could ignore \$1-million advice.

Hon. Sandra Papatello: Chair, I need to be able to finish my answer.

The Chair (Mr. Tim Hudak): Order.

Hon. Sandra Papatello: Chair, do I have a question-and-answer opportunity here? Just to clarify the rules on this Q and A, I'm either going to answer the question or I'm not.

Mr. Ted Chudleigh: I have no further questions.

The Chair (Mr. Tim Hudak): Order. We'll let the minister finish the response to Mr. Chudleigh's question; then Mr. O'Toole.

Hon. Sandra Papatello: I think Roger Martin is a stellar individual and the government is really thrilled to be affiliated with him. Of late you'll probably notice that he has also brought a colleague into Ontario in Dr. Richard Florida, who is a well-known published author and expert in terms of the urban globe. His latest book is called *Who's Your City*. I have to tell you that this presents an opportunity for governments, perhaps for the first time, to have evidence-based decision-making when they set policy, and I think that's exactly what this Premier has intended to do. He has taken every opportunity to go and reach out to people to say, "Give us the facts." We cannot base policy on rhetoric.

Mr. John O'Toole: Thank you, Minister. I just have one small question in the limited time left, and I apologize if I'm interrupting, but I've heard many speeches before. The other one is with—

Hon. Sandra Papatello: I know you enjoy—

The Chair (Mr. Tim Hudak): Order. Now, we have gotten through the first 25 minutes quite nicely—

Mr. John O'Toole: No, I'm not—

The Chair (Mr. Tim Hudak): Let me finish. If members ask pointed, direct questions, I'd expect a similar response from the minister. If they're open-ended, I'll give the minister a bit more string to respond.

Mr. John O'Toole: Okay, very good. Now you're saying that the Institute for Competitiveness—

Interjection.

Mr. John O'Toole: I intend to, but I think Ms. Papatello recognizes that we're running out of time here. You were talking about the shift in the focus of the economy, and the report from the institute indicated moving to an agricultural, or us versus the United States. Now, one of the sectors in our economy that is struggling—and today there was a question asked on CanGro—what strategy do you have, especially in the processing segment of the ag economy? What steps are you taking? Are there reports or studies to stabilize or reinforce the infrastructure for food processing in the agricultural economy? It's very important. Right now, it's my understanding that most of the apple juice we get in Ontario is actually from China. So we've got the processing issue here. Have you got a strategy on that?

Hon. Sandra Papatello: I think it's fair to say that since 2001, the Canadian dollar has been increasing year over year over year. It has had an impact on every segment of manufacturing, of which food processing is one. I know that when Minister Flaherty was in fact the Ontario finance minister he was grappling with this. I think it's fair to say too that when I was in opposition, and I spent eight years there that I wish I hadn't—

Mr. John O'Toole: It wasn't long enough.

Hon. Sandra Papatello: Except from your perspective. Regardless, I remember going to the Ontario minister at the time, Jim Flaherty, begging him for an Ontario strategy for auto. He eventually, in the eleventh hour of that government's life, came out with a program, but it wasn't auto-specific. It was generically for industry. We remember saying then, "Give us the criteria so our auto companies, so our manufacturers can jump in there and get support." Then the government, of course, lost in the subsequent election and they were done with.

We, then, came back with a program. I think it is important to note that we're reaching out to all of our food processing sector. We know right now, and we knew in 2002, that the times have changed dramatically. The CanGro experience that you just mentioned today is a very difficult one for the Ontario government to be in, to walk out there, to be in Niagara and ask the company to sit down with us so we can sort out how we can leave the canning operations in Ontario and note that the only thing that CanGro was prepared to do, and that they did do, was extend a deadline by a week or so that there could be more dialogue.

Mr. John O'Toole: It comes back to the—

Hon. Sandra Papatello: Sorry. But in fact they didn't, in the end, want to participate. That is tough, when you've got a government prepared to partner with the sector and you don't get that same kind of response from the company.

Mr. John O'Toole: I think that's the specific advice in the competitiveness report: to work with the sector and to build the infrastructure, whether it's in training, re-training or the skilled trades, whatever, and to partner with them. Their comment with respect to what even the federal government has been saying is to be competitive. Part of that solution is the tax structure, to encourage

long-term investment and partnering in the province, and quite the opposite—Dell is another example. I know you didn't cause the problem, but setting the wrong tone for the investors or the corporate world—we shouldn't sell out, certainly, but having the confidence in the plan is why we're experiencing job losses in multiple sectors: auto, technology and agriculture. We're asking, as the competitiveness report advises, are you looking at being competitive in new business start-up costs, red tape and other regulatory and financial considerations? Is there a plan? This is what's missing—a plan. It's these photo-op cheques.

Hon. Sandra Pupatello: But I think it's fair that if you're asking all of these questions regarding Roger Martin's report—and I hope that when we do reconvene you will have had lots of time to actually read all of his reports, because what he suggests and what he touts is moving to a tax system like that which exists in countries like Sweden and Finland. I ask you, as one who has been a member of a government for more years than you ought to have been, in my view, and I want you to tell me, when you come back—

Interjections.

Hon. Sandra Pupatello: Well, it's the same as you just said, that I wasn't long enough in opposition. I'm just giving it right back at you. Anyway, the point is—

The Chair (Mr. Tim Hudak): Hold on. Let's calm things down here, all members.

Mr. John O'Toole: No, but when we reach the high-est unemployment rate, you're the minister, so—

Hon. Sandra Pupatello: John, when we reconvene I want you to tell me that you've read his reports and tell me if you would actually move to this tax structure that Roger Martin is proposing that we do in Ontario. I'm asking openly, because I'd love to know your opinion. It is a very difficult debate to have, because he's suggesting that we move corporate onto personal. I respect his opinion. It's just that for any government, yours or mine, to move to what he would recommend would be a very difficult transition period for Ontario. I'm not saying I don't agree or I agree; I'm just saying I'd love to know how we would arrive at where he wants us to go. That's the difficulty between—

The Chair (Mr. Tim Hudak): Thank you, Minister. The time is concluded—

Mr. John O'Toole: But I was asked a specific question. With your indulgence—

The Chair (Mr. Tim Hudak): I know, Mr. O'Toole, but you did have your full 30 minutes—

Mr. John O'Toole: Now that it has been said, then I could reply.

The Chair (Mr. Tim Hudak): —as a caucus.

I think we got through the first part of this quite well. This is the consideration of estimates, the spending of the ministry that's projected for the year ahead and the report from previous years. I'll recommend and encourage members to stick to that as opposed to the big-picture, party stuff.

To the third party, Mr. Miller. You have 30 minutes.

Mr. Paul Miller: I'd just like to welcome everyone here this afternoon—the minister and her staff. I don't have to introduce my entourage. As you can see, I'm a man on an island here.

To get into it, the minister laid out some of her goals and aspirations for the future and they were great success stories, according to the minister, in reference to forming alliances with business to promote the attraction of foreign companies, expanding business around the world—they are blaming the slowing of the US economy, which does have an impact; the strength of the Canadian dollar; high oil and energy costs—a green economy to create jobs. Communications and research and development are in their plans, and cost-effective, with anchors.

That's very good, but I'm not sure what part of the province the minister is talking about. Is the minister talking about the area I represent—and that's what I'm here for—the Hamilton area? We've lost over 17,000 jobs in the last few years. The minister recently stood up in the Legislature and said that she has good news for Hamilton. Well, I haven't been privy to that information, and I can safely say that in the last 20 or 25 years, I haven't seen a major company open up in the Hamilton area.

I'd like to touch on one of the things I think the economic development and trade people haven't looked at provincially, or federally for that matter, and that's the erosion of our base industries. We just sold off our last steel mill in Hamilton to US Steel, actually. We don't own a major steel mill in Canada. We own very little in forestry. We have major foreign countries in mining. So, as things get worse, if we possibly enter a recession—it's not the first time this has happened in Ontario or Canada. One of the things that's concerning me and our party is the fact that we have no control if these companies decide to pull out and go back to their country of origin, and when things get tough in the States—we've witnessed this in the Brantford, Hamilton, Niagara regions—companies pulling out, going back to the mother country and leaving our people unemployed.

1650

I personally do not see anything in the economic development procedures by the government that entertains any kind of protection of jobs rolled into their hefty loans which they make in the auto sector. The auto sector plays a major role in our province, and there's no doubt about it, but so does the steel sector, so does mining, and so do all the others. I haven't seen any major loans going out to what we like to call secondary industries. I don't call them secondary industries; I call them major industries. You can't make cars without steel. You can't make cars without plastic. You cannot make cars without glass. A lot of money is going toward the automotive sector, but in my city, which is a major city in the province, there isn't any money coming our way. They've invested in building a bridge, they've put some money into hospitals, which is good, but as far as job creation, there has been little or none.

I don't know what I can say to the people in Hamilton when I go back and there are another 1,000 jobs gone last week. They keep saying: "Well, what are they doing for Hamilton? What are they going to bring to Hamilton?" It's not happening.

Getting back to the erosion of the base industries, when you're under foreign control, these companies have got us where they want us, so to speak. They can pull out at any time, close shop and go away. I'm just wondering what they're doing to protect jobs in—all I can speak for is the Hamilton area, because I'm not exposed to the Windsor area, which has been hard hit also. I hate to be facetious, but coconut trees in Hamilton are not going to do anything for me. We need steel jobs. We need major companies coming in there and investing.

Unfortunately, information has come to my attention that the minister may want to deal with, more jobs that could possibly be leaving Hamilton—two major employers: National Steel Car and US Steel. Stelco was Canadian-owned, and it's now US Steel. It's my understanding that the National Steel Car company has bought some land in Mississippi, and they're going to move some of their car-making facilities to Mississippi because labour is cheaper and land is given to them for free. There are 2,500 jobs in that industry in Hamilton, and they're slowly downsizing. Also, my sources are saying that if things keep going the way they are—costs and shipping slabs to the States to get finished and things like that—US Steel may think of pulling out.

So I'm very concerned about our area, and I don't see anything in the economic forecasts. Personally, I don't want to be facetious, but trips to China and trips to India are great. Are they going to bring steel jobs to Hamilton or are we going to import more? I would prefer to export more. I'm not sure what cutting deals in Beijing and other things are going to do for the people in Hamilton for jobs. I'm very concerned about that.

I'm going to ask some questions here. I have many questions, but I would like to start off with economic development estimates. Every month, Statistics Canada produces a labour force survey which can be broken down by job classification. Can you please provide comparative Ontario statistics from the labour force survey for manufacturing for October 2003 and for March 2008? It would be appreciated if the two sets of numbers could be supplied for the following regional CMAs: Hamilton, Kingston, Kitchener, London, Oshawa, Ottawa-Gatineau, Thunder Bay, Toronto and Windsor. If you do not have those numbers available, Minister, it would be helpful if legislative research could come up with the numbers by the end of the estimates for the ministry.

I'd also like to ask some questions about the \$235-million Beacon agreement with GM.

The Chair (Mr. Tim Hudak): Deputy, is it all right to get those numbers back to Mr. Miller by the end of the estimates?

Hon. Sandra Pupatello: Sorry, if I might. We collect StatsCan data in our ministry, so the questions you're asking, we'll check within our ministry for those data,

and we made a list of the cities that you've requested. We don't go any further than StatsCan data. I suspect that what's available publicly is what we have. And the difficulty on the jobs: I recognize this very well because, as you recognized, I come from Windsor, and it is very difficult.

I'll give you an example. When one of the members of the Conservative Party spoke, he counted 900 jobs—

Interjection.

The Chair (Mr. Tim Hudak): Minister—

Hon. Sandra Pupatello: I'm giving an explanation. It's important for him to recognize why we're having trouble—

The Chair (Mr. Tim Hudak): The minister will come to order.

Hon. Sandra Pupatello: We're having trouble getting him the answer.

The Chair (Mr. Tim Hudak): He had a simple question about some statistics—

Hon. Sandra Pupatello: Well, then, the answer is no, if I can't explain what I can get him. I can't get him what he's asking. So, if you just let me finish. If you'll indulge me for a moment, the numbers that—

The Chair (Mr. Tim Hudak): No. We'll have legislative research check—

Hon. Sandra Pupatello: The numbers that you—

Mr. Paul Miller: Well, I don't want to take up all the time with an explanation of whether you can or cannot get the statistics. Somebody can get them for me.

Hon. Sandra Pupatello: Stats Canada is the data that we use, so—

Interjection.

The Chair (Mr. Tim Hudak): Order. The minister will come to order. The member can proceed, and we'll try to get the information as best as we can.

Mr. Paul Miller: Yes. Legislative research can get these things.

Hon. Sandra Pupatello: Your request is to the table, then?

Mr. Paul Miller: My request would be to legislative research to get that, but I have to bring these up in this committee—that's what we're here for. I don't want to just hand him a list of things to go find out without bringing it forward, because obviously it's a concern of ours, which I want to share with you so that you can address it after they come up with the numbers. If legislative research is available and you can't answer it or your staff can't answer it, that's fine, but I'd like to ask these questions.

My next question is, what is the total value of funds flowed to GM under the Beacon agreement to date? Can you detail the job guarantees and the accompanying information that goes with those, which would guarantee that if things get bad, with the loans we're giving them, the jobs will stay in Canada and we won't have layoffs and shutdowns like we recently saw in Oshawa? Are there any specific job guarantees for the Oshawa plant? Are there any job guarantees for the GM facilities across Ontario contained in the Beacon agreement? Are there

any provisions for clawing back funds in the Beacon agreement in job levels that fall below a certain level or criteria, and how exactly will that work? If you don't have an answer at this time—

Hon. Sandra Pupatello: How much time do I have for the answer?

Mr. Paul Miller: I don't want the minister to take up—

Hon. Sandra Pupatello: All of them at once or one at a time? What's the procedure here?

The Chair (Mr. Tim Hudak): If you have—

Mr. Paul Miller: I'll be happy to supply you with a list.

The Chair (Mr. Tim Hudak): Mr. Miller, do you want the minister to respond at this point in time?

Mr. Paul Miller: I would just like to ask the questions, because the minister obviously can't answer all these questions at once. But what I want to do is to get them on the table, and then I will supply the minister with the questions, and I will also supply the legislative staff with the necessary—

Hon. Sandra Pupatello: On this GM contract, for example, we will not divulge the content of the contract. We'll see if we can divulge how much of the \$235 million has flowed. The issue with all of these contracts through the automotive investment strategy is, as the companies make investments, our investment kicks in, so to their \$2.5 billion, ours is 10% of that. As their investment grows, so does ours. Whether I can divulge that information is subject to whether the contract—

Mr. Paul Miller: With all due respect, Mr. Chairman, I would assume—and I'm just a rookie at this—any public funds that are leaving this building and assisting industry in any way, shape or form should be in the public domain. We should—

Hon. Sandra Pupatello: We wouldn't table that contract publicly.

Mr. Paul Miller: We should have access to that, and you should be able to divulge that, with all due respect.

Hon. Sandra Pupatello: Well, we're not, actually, so we don't.

Mr. Paul Miller: I'd like to ask some questions about the \$76.8-million agreement with Chrysler through the Ontario automotive investment strategy plan. The money was to assist in the expansion of Chrysler's Brampton and Windsor facilities. Has any money flowed to Chrysler through this agreement, and if so, how much? Can you detail the job guarantees, once again, that you got for this deal, if any, contained in the agreement with Chrysler? If there are no specific guarantees for the Windsor and Bramalea facilities, I would ask why. Are there any job guarantees for Chrysler facilities across Ontario contained in the Chrysler agreement? Are there any provisions for clawing back funds in the agreement with Chrysler if job levels fall below a certain level?

Question four—

Hon. Sandra Pupatello: Sorry. Just in answer to the question regarding Chrysler, more than half of the money has already flowed. We'll check to see if we can make

the total number available at this point. Just like the GM contract, as their investment grows, so too does our investment in the initiative. We would not divulge the content of the contract. That's a confidential document between the government and the company. There have been requests—FOIs—for those documents, and to date we have not released any. That happened under the previous government as well. I believe that also happened under the NDP government.

Mr. Paul Miller: I can't speak to that—

Hon. Sandra Pupatello: There are just certain contracts that we will not release in the public domain.

1700

Mr. Paul Miller: What the minister is saying is quite possibly true, that that's the situation. I'm not happy with that situation. I feel any dollars that leave this building should be under public scrutiny, and I also feel that to get an answer—if that's your present situation—the legislation should change. Because I'm sure there are a lot of other industries out there that would like to know who's getting what, how much, what's involved in the contract and whether this contract and the monies that are being given out would be available to them, to have the same type of agreement, but if they're not privy to it and don't know about it, they cannot do that.

Hon. Sandra Pupatello: Chair, just by way of explanation—

The Chair (Mr. Tim Hudak): Minister, the member has—

Hon. Sandra Pupatello: Am I going to have some kind of time to respond or not?

The Chair (Mr. Tim Hudak): In the first 30 minutes, the member can use time as he or she sees fit. Mr. Miller's putting some questions on the table that I think he wants written responses to. When he has a chance, when he wants an answer, I'm sure he will ask a question.

Mr. Paul Miller: Thank you, Mr. Chairman. I listened diligently when the minister was giving her speech, so I'm sure she'll supply the same courtesy to me.

I'd like to ask also the question about the \$100-million contribution to the Ford centennial project in Oakville. Has money flowed to Ford through this agreement, and if so, how much? Can you detail the job guarantees, if any, contained in the agreement with Ford? If there are no specific guarantees for the Oakville facility, once again I would question that judgment. Are there any job guarantees for Ford facilities across Ontario contained in the Ford agreement? Are there any provisions for clawing back funds in the agreement with Ford if job levels fall below a certain level?

The reason I'm going through the Big Three is because I think the people of Ontario have a right to know where their tax dollars are going and what guarantees there are of jobs staying in this province. We keep throwing money after money at the auto industry to maintain jobs, but very trickling amounts of money are going to other major industries in this province, and I'm very concerned about the focus of the government.

As the minister well knows, if the car industry in the States goes downhill, sales go down and jobs are lost in the States—as the minister stated in her opening comments—it's going to trickle over into Canada big-time. I hate to say this, but we haven't seen anything yet. In the next year and a half, I'll remember these committee meetings. I'll remember the statements in the House. It's going to be pretty scary in the next two years in our province. I'm not trying to be Mr. Doom and Gloom, but the facts speak for themselves. The reality speaks for itself. All the secondary industries are leaving this province in droves. We're losing hundreds of companies in this province in droves. The economic forecast is very bright under the minister; I don't share that forecast. I try to be optimistic and try to think that things are going to be balmy, but I don't think they are.

I'd like to ask the official deputy if they can answer any of these questions that I've put forward at this time.

Hon. Sandra Pupatello: Again, the status of the contracts with private companies this ministry will not release. By way of explanation, it has been standard procedure of governments, not just this one, but all three political parties in government have not divulged private contracts.

In this case, the particular reason is, when they make application they also divulge to us the level of innovation, what new they're bringing, levels of production etc. That's all proprietary information that the company would not share with their colleague competitors in that sector. Frankly, they would not engage with us if they thought that that level of detail, what's their innovation, what's their patent, what are they bringing in, what's their level of production going to be—they simply wouldn't make application, because they're not going to share that and put it on the front page of the paper.

Mr. Paul Miller: Thank you, Minister. I understand your answer, but I'm wondering if the proverbial door swings both ways. Do they make you and your ministry aware of their future job investments, future job strategies, how many people are going to be laid off in the next five years and where they're going after they get those lump sums of money from this government for, as I call it, bailout? I call it keeping the jobs here temporarily for a couple of years, because every time there's a recession, every time this province runs into trouble, they come to the government for more money with no guarantees of staying here, no guarantees in these agreements, no guarantees of keeping jobs in Ontario in the bad times. I'd really like to see these agreements. There are no contingency funds, no backup funds, no contingency plans to keep these jobs in Ontario. I just see handouts. I don't see any long-range protection for the people of Ontario. I don't see any of that.

I'm very concerned about the way this government is moving and the job losses. I'd be more than happy to take the minister through Hamilton and show her all the closed factories, all the thousands of jobs that have left. And I'd love the minister to take me through Hamilton and show me the new big factories that are going to open

to employ all those people. Most of our youth are leaving Hamilton and going to Fort McMurray and out west because they can't get jobs. And the minister well knows Windsor has been hard hit too.

You can deal all you want with foreign companies, but these foreign companies have cheap labour. How are we going to compete? Do you think they're going to come here to Ontario and pay somebody \$25 an hour to do the same job they can get for two bucks where they're from? I think not. What are they going to come here for? I'll tell you what's going on in this province, Minister, and nobody has said it to date. They're coming here to our province, they're buying their competitors, they're shutting them down within five years—except the Big Three—and moving back to their countries of origin. What have they succeeded in? They've succeeded in putting Ontario people on the street with no future, no pensions, no benefits. They've shut down jobs all over our province. That's what they're doing. If you see the trend in Ontario and Canada, companies are closing all over this country and going back.

You talk about research and development. I remember in the 1970s, at Stelco, the place where I was employed, we had one of the biggest facilities in North America for research and development. We employed 300 people in that research centre. That shut down, and where did it end up? In Pittsburgh. These are the types of things that have been going on. I don't know where all this research is going. Once I get over that Skyway bridge, I think we're on a different planet because I don't see all this wonderful stuff the minister is talking about.

My final question for today—I'll have many more questions—

Interjection.

Mr. Paul Miller: This is my 30, I believe, and in the next 20 they can respond.

I'd like to ask questions about the Next Generation of Jobs strategy. I understand that no monies have flowed under this program, but you can detail the job guarantees, if any, that will be contained in agreements under this program. Will there be any provision for clawing back funds in the agreements under this program if job levels fall below a certain level? I hate to be repetitious, but these are all major companies. I'm not privy to the agreements, nobody is privy to the agreements, and I'm wondering where the tax dollars are going. When will we be privy to it, if ever? How much are we going to know was wasted and blown when companies pull up stakes and go back to where they're from? We're now witnessing, after all these wonderful announcements about the 300 jobs in Essex-Kent—which I was criticized for saying “Whoop-pee” about. I was criticized. I hate to tell you. That plant employed 900 people. What you did was, you got the same building and you managed to get back 300 jobs of the 900 that were left. But if you'd like to come to my end of town, I'll show you the thousands of jobs that left, and none have come back. In fact, more are leaving every week.

That's it for me for today, Mr. Chairman. I'll tell you, I've got a lot more.

The Chair (Mr. Tim Hudak): Mr. Miller, you had some very detailed questions about some specific projects. What I'd ask you to do is, after the committee—some of it was in writing—to give it to our research assistant, and then research can work with ministry staff. The minister made some statements that some information may not be publicly available, and she stated why that was the case. Whatever information is available, we'd ask to get that to the committee on behalf of Mr. Miller.

You did ask some questions about the Next Generation of Jobs Fund at the end. Did you want the minister to respond, or are you done with your time?

Mr. Paul Miller: If the minister wants to, sure.

Hon. Sandra Pupatello: The program was announced as part of the plan of the Liberal government in the last term to move forward with in this second term, and that's what we did. When the Next Generation of Jobs Fund was launched, which was about three months ago, we then took the time to develop the criteria. We've had one announcement so far, and that's to Sanofi Pasteur, which is the pharma sector. As you may be aware, the Premier participated in that announcement of a \$100-million investment with Sanofi Pasteur, and we're pretty excited because we've reached out with the Next Generation of Jobs Fund to move out not just to traditional auto or auto-related manufacturing but to an awful lot of manufacturing across the board. People in this room know how important pharma is, especially to the greater Toronto area where it's very diverse. So that's the first project that's gone out the door, and it was just announced a couple of weeks ago by the Premier.

1710

There are a number of places I would like to tour in Hamilton, and I do go on a regular basis. A.G. Simpson would be one that was a great participant in the advanced manufacturing investment strategy, for example, and now their expansion in Stoney Creek is a very real reality because of this government's program.

There is the \$10-million investment that our government made in Dofasco to assist in their coal pulverizer, which frankly ups their level of productivity, retains and creates jobs right there in Dofasco in Hamilton.

The R&D that's being placed, especially related to manufacturing and McMaster, has created innumerable jobs—very high-end and high-paying jobs in McMaster, which is now partnering with other institutions like the University of Waterloo, the University of Windsor, all of which have components of R&D related to manufacturing.

When we talk about China, we've got to talk about Bombardier and the success story that is a real Canadian success story. When they build Bombardier cars here in Ontario, they use steel. We need to let this member from Hamilton know where the steel comes from.

Mr. Paul Miller: I worked there for 34 years, Minister. I know where it comes from.

Hon. Sandra Pupatello: When our auto strategy works here in Ontario, it's because steel from Hamilton goes into our cars through our project at the OAIS program.

Perhaps what I will do is take some time and go through the auto supply chain. Steel is a major component of our auto supply, and it's a great success story of how well we're doing and why steel benefits from the auto strategy.

The Chair (Mr. Tim Hudak): Minister, thank you. Are you satisfied with the answer on the Next Generation of Jobs Fund?

Mr. Paul Miller: Well, obviously not, but it was done.

The Chair (Mr. Tim Hudak): Have you heard enough?

Mr. Paul Miller: I heard, yes.

The Chair (Mr. Tim Hudak): That concludes the time then, Mr. Miller.

Mr. Paul Miller: Thank you, Mr. Chairman.

The Chair (Mr. Tim Hudak): Then we come to the last segment in the opening round. Minister, you have 30 minutes to use, if you see fit, to respond to the items that were of debate in our rotation. You don't have to use that 30 minutes, in which case we'll proceed with 20-minute segments.

Hon. Sandra Pupatello: I'm certain that the members of my caucus on the committee have some questions and great commentary.

The Chair (Mr. Tim Hudak): The way the standing orders read, it's the minister's concluding comments. You have up to 30 minutes to respond to the debate, and you don't have to use them. That time cannot be used by members of other caucuses to ask questions. They will have that opportunity in the next rotation.

Hon. Sandra Pupatello: There were a lot of comments made today, and it really is at least an opportunity in this half hour—I'd prefer to hear from this illustrious group that we have as our caucus members on this committee because every one of them has had some great part to play in the five-point economic plan that this government has put forward, especially when there are sectors that are in a challenge, and we do have some of those.

I guess what's surprising to me is that the members from the opposition want to ask questions, but if they were truly interested in the dynamic that's going on here, you'd think they'd want to hear the answer instead of having a political, rhetorical rant. If they were truly interested in this business, they would want to hear the answer and engage in a genuine conversation, and I think it merits that in some sectors and some challenges we face. We're up to a debate on this. We've got to sort some things out. We've got to do better. No one is going to deny that this government insists on doing better and better for the struggling sectors we have in this province.

It compels us to talk about our skills and knowledge, the huge \$1.5 billion that appeared in this very last budget. Why is that so significant right now? Because

right now, we know there are people with very high skills who need to be redirected into other areas of employment.

A report came out this week and suggested there were 100,000 jobs that have gone unfilled. Why? Because the job opportunity isn't always exactly in the place the people are, or is it that there's a little bit of tweaking needed to be done with the training in that person, that they could very well accept one of those opportunities for a job? Where does that \$1.5 billion come in? A very creative way, something that's never been done before, is to actually, especially into the second-career program that Minister Milloy has announced and is now developing all the criteria for, figure out how you can take someone who's had a great-paying job, a great set of skills, very highly skilled, let them go back to work, let them go back to school, let them get back to training in an area that goes beyond what EI has traditionally covered as costs for training. The feds have had a mentality of "quickest way to a job." We know in Ontario that's not working for us. Those are federal rules that have been around for a hundred years, but the world's changed in the last hundred years. Lives have changed, training has changed, how people can move from one sector to working in a completely different field but for that extra year, but for that extra two years.

So how does a government come in with a program that can actually work? It's meant to help the cost of education, the living costs, in some instances, where individuals are 40 or 45 or 50 years old and they're not in a position like they were when they were 20 to jump up and go live with four people in an apartment when they're going to university. Times have changed, and our rules have to change and our programming has to be made to fit the circumstance today. We're proud of that program. We're proud of how we're going to meet the challenge of people who are choosing to change careers for opportunities that exist.

I have to tell you that when you come from a community like mine in Windsor that is the first in and the first out every time the going gets tough, everybody talks about diversification. I am of a different view. I believe that there's diversification required within manufacturing. Having had the opportunity and the privilege to see manufacturing around the world, there is nothing that's going to convince me more than I'm convinced today that Ontario has the best manufacturing in the world. The reason for that is that we have had governments—successive ones; I can't even make this political—that have all believed for decades in Ontario in education. It was Bill Davis who formed the college system back then, a long time ago, that, frankly, has allowed us to have a technical expertise amongst our workforce that doesn't exist anywhere else in the world. Now we've come forward with a \$6.2-billion university plan, post-secondary investment, to just knock it out of the park, because every jurisdiction—emerging economies, second or third economies, whatever you want to call them—they are where we were, but we're moving on.

So our general low-level manufacturing is in a tough place, and we're the first ones that are going to acknowledge that. But what it also tells us is that we've got to move our manufacturing up, and that's what we're doing. So if you look across our ministries, all of the direction is focused on moving our manufacturing up. If it's low-cost, if you take a ball and you're painting the ball, we're probably not going to do that in Ontario anymore. But if you want to find how to commercialize a product, making a ball out of the best new material available, then you're going to do that in Ontario.

Having sat down with the Chinese entrepreneur who looks at me and says, "We don't have the technology to do what we want to do, but we know you guys can do that"—yes, they want to come into our marketplace because they want to learn that, but that also means there is a respect for the Ontario manufacturing capacity, that they are looking at investing in Ontario. We're proud of that.

We recognize that in a perfect political world, you would have every company in Ontario proudly owned by an Ontarian. That's not anywhere in the world anymore, nor has that been Ontario's experience through successive provincial governments. NDP, PC or Liberal, they have watched the whole world move into Ontario, and we're proud of that. Almost all of us, I think, are proud of that. In Canada, 60% of all of the multinationals have their headquarters in Ontario. It's where people come, and we're proud of that.

We've got good working relationships. I met with the new ownership of Dofasco in Essar when I was in India. We want to know what their plans are for the future. We want to know that when they take Dofasco, the crown jewel of their steel sector of that company, it's going to be a place for investment. Guess what? Dofasco was seen as the crown jewel of that multinational company. They have come down, they've looked at what happens at Dofasco on the ground, and said, "None of our other operations around the world operate as efficiently, smartly, and with the best kind of technology and innovation," as happens right there in Hamilton. In the Essar Group around the world, Hamilton is on the map, and Hamiltonians should be proud of that. They should be proud that we've partnered with the new owners, with Dofasco/Essar, for more investment so that that investment will be maintained in Hamilton. That is a great story. That's how good we do things in Ontario, and I think we should be proud of that.

We met with the new owners of US Steel. Yes, we want them to make investments in Hamilton. That's why we meet with the new CEO wherever they come from around the world, and what is a striking similarity is, they see that their Ontario operations, when they buy into Ontario, become part of the best of their fleet on every continent. I think we should be proud of that.

1720

So, yes, there are struggles in communities like Windsor or Hamilton, which will suffer the most when your base is so largely manufacturing. When 90% of our

exports go to the US and they have a slowing economy, guess what's going to happen. They're not going to feel it so much in Alberta.

But it gets a little tiresome when you hear a federal finance minister who wants to dump on Ontario. Then they dare to talk about corporate tax rates, as if it were an issue with these multinationals that are coming into Ontario. Do you know, I've been on four continents in the past year and a half, at least. I have been on a multitude of corporate calls. Do you know that not one—not one—has ever asked about the level of our corporate income tax rates? Do you know why? Because they know before we go in the door that Ontario is extraordinarily competitive. We also know who our competition is, our competition in North America. They say they want to “be in North America.” When you want to be in North America, read “America.” There's Canada up there and there's Mexico down there. We consider ourselves an arm of that. So if it's manufacturing, we know, if you come into Ontario under a NAFTA agreement, you can go anywhere. With great infrastructure, new infrastructure on the way, we tell the story of why they should be in Ontario when they want to be in North America.

Not a one has ever asked about a corporate income tax rate. Amazingly, Ontario is right in the middle of the pack across all the other provinces in Canada, even if the other provinces in Canada were our competition, which they are not most of the time. Our competition are other jurisdictions that do what Ontario does. How do we stack up against those? We're the best. We have the most aggressive, competitive income tax rate against all of our competing jurisdictions. You should be proud of that.

And when you predict where we're going in 2012—because we have had a successive decrease in that rate and it's been announced where we're going to be in 2012—combined with the federal tax rate decreases through to 2012, we're going to be even better and more aggressively competitive on the tax. The reality is that today, when the Conservatives want to say, “Well, here's our answer. Just lower corporate taxes and that's how we're going to stop all this challenge in the automotive sector,” you tell me which of those companies is making money today so they'd pay a corporate tax on the profit if they're not making any profit. It is idiocy to think that that is a decent response to a sector that is struggling right now. It's complete idiocy. I say that with all respect to people who are compelled, very much, on this dogma of corporate tax rates.

In this world, what matters when you come to Ontario is that you build a quality product, and that's what we have to sell. So if you want to build or you want to make a million of something—if volumes are huge and the capacity of what you manufacture is very low, you probably aren't coming to Ontario. Guess what? We're not chasing that either, because we're up here. We do things best. We make the best cars. As a result, our productivity levels in Ontario—we have the best plants in North America. We have the most productive plants in North America, 2.5 million cars in Ontario. That's what we

produce here. We beat every other jurisdiction in North America.

You want to talk about the wage rates? We're very competitive on that front as well. So never mind the rhetoric that you hear from the people who want to run down Ontario on an economic development front. You tell me why Kellogg's has a 100th anniversary of a company—an established, good old American company. They haven't built a greenfield site in 20 years. You tell me why they'd pick Ontario in the year of their 100th anniversary.

First of all, it's mainly because of the wheat. Did you know that Ontario produces the best wheat going? Why is that? It's because of the kind of research that we've developed for the University of Guelph that says, “Our hybrid programs make really good outcomes for our products.”

How is it that we can go to south Asia and tell them, “We can help”? There are food issues in Asia right now. Did you know that our cows are the most productive cows on the planet? They produce 10,000 litres of milk a year, compared to the typical Asian cow with 1,000. This is dramatic, people. This is something that Ontario can sell.

So we got back from our trade mission in India and China and we said, “These are things that we should be selling,” whether it's how we feed the cattle, how we milk the cattle—the innovation in our egg community in this province is second to none. These are things that we sell, and we need to be proud of them. We recognize the challenges that some of our sectors face.

I just want to check with the Chair if I have at least 10 more minutes for very good anecdotes for this committee.

The Vice-Chair (Mr. Garfield Dunlop): You've got 10 more minutes, and there are going to be 20 minutes to respond to what you just said, too.

Hon. Sandra Pupatello: Thank you—because we do have the best cows. I think we should be proud of that.

The Vice-Chair (Mr. Garfield Dunlop): Minister, if I could just ask you—

Hon. Sandra Pupatello: You're not cutting into my time, are you, Chair?

The Vice-Chair (Mr. Garfield Dunlop): When you're using words like “idiocy,” that's very unparliamentary.

Hon. Sandra Pupatello: I was directing that to the federal government.

The Vice-Chair (Mr. Garfield Dunlop): Well, I think that's still very unparliamentary. I'd appreciate it if you wouldn't do that.

Hon. Sandra Pupatello: Thanks. I respect your relationship with them. In any event, I think it's exciting to be part of a team that goes out there to sell Ontario.

I want to tell you some more anecdotes. The deputy and I sat there—I'm just making sure that my deputy is okay, because he may want to jump in and add to my anecdotal stories here. We went to talk to a company in the digital gaming sector. We went to Tokyo, where their

headquarters are. They sent their North American CEO to Tokyo to also be there for this meeting. They are already present in Ontario. The digital gaming sector is going to grow to \$50 billion in the next five years. We think that most of that growth should be right here in Ontario. Why? Because our kids come out of school in this province with the best combination of skills for that sector, and it is a very high-paying sector. These kids walk out with \$80,000 jobs. Have you been through Silicone Knights in St. Catharines? It's an unbelievable, sophisticated building—and they're bursting at the seams. They've got to keep growing because they keep winning and building new games.

We're sitting in Tokyo in this office and we were ready with our launch, weren't we, Deputy? We were going to tell them all the great things about expanding in Ontario. She cut us off halfway and she said, "Ontario is the only place where I can invest, the only place where we can expand our business." We were dumbfounded: "Why?" She said, "It's the only place where we can find people with the combination of skills we need. When your people graduate from university, from high school, they have skills in music, in art, in maths and sciences." I mean, we know, having just come from education, that we teach math with art and music. They go in there, they've got the computer science skills and they've got the art, they've got the design—they've got everything they need for that sector, and it is a booming sector.

Interestingly enough, for the two women at this committee on this side and several others in this room, we are actually the demographic of greatest growth in digital gaming, if you wanted to know. I was going to ask all of our members of committee just how much time you're spending with your new digital game, because we are the growing sector, which I find quite amazing—that our age group has that kind of time. In any event, it's quite popular.

There are umpteen examples of where we've been and talked about Ontario, and people love us for this. When we show them the Ontario story, they are amazed. The best part is that we also add facts that make us a stunning place to be and invest in. We say, "Fifty per cent of the people in Toronto weren't even born there." Can you imagine telling a Japanese audience that? They can't believe it. I sat on a corner in a busy intersection in Tokyo. I had to wait for 15 minutes before I saw someone who looked like me go by. It's a much more homogeneous community than what we live in every day, and we have the benefit of that.

I met a fellow who was sent here as the CEO of a company. He said, "You know, when I got here, I felt like I was at home. There were people like me, I could find the spices I needed, I could find where my community was, and that's important to me. I have my work life, and I knew that I could make a life here." Those kinds of quality things actually matter to people when they're investing in Ontario. We have to be proud of them, and we've got to shout them from the rooftops.

I am thrilled to be here today. I can't wait to come back to committee again; I can't wait to tell the Chair what other days I'm available, and I am thrilled that the committee's going to alter its schedule so that I can be available, because we have more and more proud examples of why people invest in Ontario and how we are on the march around the world to bring the world to Ontario.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister, for your comments. It's now exactly 5:30, so we will just have the 20 minutes now for the official opposition, and then there will be the bell for the opposition day motion. Okay? So you probably won't get a chance again today, the member of the third party.

1730

Mr. Ted Chudleigh: With the rant on the cows, we should have qualified that as the Holstein cows, because it's very true: We've got the best genes in the world on Holstein cows. We also have the best genes in the world on chickens. We raise a chicken here in about seven and a half weeks, and it takes probably 13, 14 weeks to raise that same three-and-a-half-pound chicken anywhere else in the world because we've got the best gene pool. The same can be said for the pigs that are produced in Ontario. We've got some of the finest gene pools in the world on pigs and pork and pork products.

We all—sitting in this place on all three sides of the House—want the very best for Ontario. We want Ontario to be on top. The debate is simply on how to get there.

On how to get there, my first set of questions dealt with the Institute for Competitiveness and Prosperity and the recommendations that the institute made. They made the recommendation that reducing business taxes, for instance, would actually increase government revenues because there would be more businesses and more revenues. However, that recommendation from that institute was ignored.

This ministry does spend millions of dollars on communications, a very important part of the ministry, and yet the record on transparency and publicity and marketing success is maybe less than would be desired by a communications department. Would you agree that you have a bit of a problem in your communications department, Minister?

Hon. Sandra Pupatello: No.

Mr. Ted Chudleigh: Thank you. The minister's recent trip to China was a communications problem, I think. You announced the trip at two public events and yet you sent out no press releases concerning this trip to China. Why is that?

Hon. Sandra Pupatello: Actually, this trip to China was dealt with in the exact same way as the previous trip to India and the previous trip to Germany. When we arrived in India and Germany—when we had events that we were going for, like the opening of the Beijing office in that case—the press release went out. Each trip that has included local companies in our mission, there has usually been a host or a reception on the eve of leaving where there's been a press release for that group of

companies. Because there were no companies accompanying me to Germany, India or China, we didn't have such a function—so no release at the event—but when we arrived in the country, the press releases went out as we attended. In India we attended the opening of the hotel in Bangalore, for example, so we issued the release when we did the lighting ceremony at the hotel. It was standard procedure, other than you indicated. I've been very public about where my activity is and where I'm going. There has been media at the events that I've made very public. The reality is that they did not focus on China per se; they probably just listened but it didn't click for them until other issues regarding China became public and then they took notice of it. But the procedure was exactly the same for India and Germany and China.

Mr. Ted Chudleigh: Those press releases that were released at the time and with the event: Were they released in Ontario as well?

Hon. Sandra Pupatello: Oh yes; they're posted. For India, China and Germany, all of them were standard procedure. The other two were with the Premier's office as part of delegations and Premier's missions, so the Premier's office would do that work, not our communications branch. But, again, all were posted. In fact, I think they post it on the wire themselves at Canwest.

Mr. Ted Chudleigh: We seem to be having difficulty getting those press releases. If I have trouble accessing them, I'll come back to you and ask for copies.

Hon. Sandra Pupatello: If you go to ontario-canada.com, you'll have all of that posted on our website.

Mr. Ted Chudleigh: Do you have a budget as to how much money will be spent this year on trips around the world for opening offices etc. that do not involve trade missions?

Hon. Sandra Pupatello: There probably will be one more in the balance of this fiscal year, which will likely be next week—actually, two. One in Paris and one in Mexico will be the balance between now and the end of this fiscal year. The budget for this Mexico trip—I believe I've approved a budget for myself totalling \$2,200, which includes airfare, hotel, meals—it's always the same standard pro forma. But, fortunately, the amount that I've allotted myself hasn't been spent on any of the trips that I've made so far for the government.

Mr. Ted Chudleigh: And Paris?

Hon. Sandra Pupatello: I can get you that information. I don't think I've signed the amount yet, but it will be, again, the airfare, the hotel, the meals and any ground transportation. That will be a trip that includes London as well, because we're rolling in the Paris opening of the office with the air show that is being hosted in Farnborough this year, which is in England. Again, ministers of your government participated in that each year. I wasn't able to go last year when it was in Paris; I can't remember why. Again, it will be a total that includes the airfare, hotels and meals.

Mr. Ted Chudleigh: I don't think we participated in 2002, but we normally went to that air show. We didn't go every year, I don't believe.

The total of that line item? That must be a line item in the budget. Do you have that available to you?

Hon. Sandra Pupatello: Maybe my ADM could—
Interjection.

Mr. Ted Chudleigh: For non-trade-mission-related trips.

Mr. David Clifford: We'll have to get back to you with that information.

Mr. Ted Chudleigh: If you would; thank you very much.

We found it very difficult on your website to access and find out what programs you have on an international basis. If we were a company that wanted to travel on a trade mission, for instance, or if we wanted to get help accessing what's available in other countries, if we were going to another country, who would we see and how would we line that up? We seemed to have difficulty finding out that kind of information. Is that something your ministry is trying to do, or is it something you're making an effort in doing a better job of?

Hon. Sandra Pupatello: You'll probably be happy to note that we're engaging in quite a bit of work to revamp our website for investors. Some of that work is already done, and you can see it on the Web. We've actually done surveys, for example, of the business community to look at the usability, the ease with which people can access data. The results we've gotten from that scan have been very positive.

I felt, as well, that we did have to do a lot of work to get it much more current and much more modern-looking. A lot of that work was undertaken this past year. The scoring now by the business community is quite high on our site.

You'll also note that we've moved the Ontario investment office. We have an office here in downtown Toronto where we bring businesses and meet with them. We also opened it up to our municipal partners' economic development commissions to bring companies in. Some might just fly into Toronto—

Mr. Ted Chudleigh: If I might, Minister, I would refer you to Go North. It's a program that you have for large-scale strategic investment funds. There's very little information on your website about the program that surrounds Go North. Are you seriously trying to promote industries in the north? It doesn't appear to have any information as to how to go about accessing this program.

Hon. Sandra Pupatello: The northern activity sits in the Ministry of Northern Development and Mines, but we work on a regular basis with them and, for example, with the mining missions, with participation in PDAC, the largest mining conference. MEDT has—

Mr. Ted Chudleigh: Go North is in your budget, I believe, so I would—

Hon. Sandra Pupatello: Yes, but generally the publication, the advance, the investments for the north—MNDM takes the lead, but we work consistently with them.

The other question you asked was about the website. My deputy has provided the info. There were 962 in-

dividual companies. They had an 80% satisfaction rating across all the programs that were evaluated, on those that have come to talk with us. So it gives you some indication. We obviously want a 100% satisfaction rating, so there's more work to be done there.

When I mentioned that office downtown that we've moved, this is something that you will use, members of Halton economic development—whoever. We're developing a site called GIS, which is the geospatial—

Mr. Fareed Amin: Geographic information system.

Hon. Sandra Pupatello: Geographic information system. This is new. The development of software is by a company right here in Ontario. Investors can look at the map and can go in there by sector. So if you're aerospace, you would go in, hit your sector of aerospace. It will show you on the Ontario map where aerospace exists in Ontario. Then you can zero in on that and go down to the next level: Where is space available? This is the level of detail that we are now achieving. We've almost completed that work and it's going to be a real showpiece.

Mr. Ted Chudleigh: And that will be on your website eventually? It's not there now.

Hon. Sandra Pupatello: Investors will be able to do that from anywhere in the world.

Mr. Ted Chudleigh: Good. In your briefing book, on page 5, you're talking about a creative new look for your ministry. I was wondering what's wrong with the old look. I was thinking about the trillium, which was redeveloped at some expense, and wondered if that money might not be better spent—given the problems that Ontario's economy is having at the current moment—somewhere else more productively. I wondered how much this creative new look will cost, and also any consultants who might be working on this creative new look for you, if you could provide me with their names.

1740

Hon. Sandra Pupatello: When you referenced the logo, the Ontario trillium logo was actually a function of the Ministry of Government Services, I believe, and would have been contained in that ministry and then put out across the government. So we wouldn't have had any expenses related to that.

A creative new look: As we move forward, we are updating, and I think it's important that we do that. We do have to be modern. We sell ICT. We've got the third largest in North America.

Mr. Ted Chudleigh: Do you have a budget for that update?

Hon. Sandra Pupatello: No, it's on an ongoing basis. For example, we're marketing the Next Generation of Jobs Fund, so there's a small percentage that is used for the administration of that. Of that administration, a portion of it will be the marketing of the Next Generation of Jobs Fund. It will have its marketing strategy.

Mr. Ted Chudleigh: Is there a consultant that would be hired to work on this creative new look?

Hon. Sandra Pupatello: I believe we did some ad work through a consulting company, but our communications department is responsible for the marketing of it.

Mr. Ted Chudleigh: If I could have the name of any consultants. And I'll pass to Mr. Ouellette.

Mr. Jerry J. Ouellette: In the time remaining, I have a number of questions, and I'll try to get in as much as I can.

Hon. Sandra Pupatello: Will you leave me time for answers as well, Jerry?

Mr. Jerry J. Ouellette: You discussed the questions brought forward about the training sessions for the auto sector. Can you—just a simple answer. You've provided a lot of funds for a lot of training and retraining in the auto sector. Did you know in advance that there was going to be a downturn and that we needed to train these individuals, and that's why you've trained them in advance, so they can work elsewhere?

Hon. Sandra Pupatello: For example, the Chrysler training—in the last budget you saw the amount of some \$5 million for Chrysler—is actually new training that is being done for all of their employees at all their sites: Etobicoke, Brampton and Windsor. What they're doing, as a function of how they're going to do business going forward, is that they actually take a set of skills that would ordinarily have been in two or three different people and raise the skill set in one person. They took every single employee and put every one of them through school.

Mr. Jerry J. Ouellette: Is that because they knew there was going to be a downturn in the economy and had to move them elsewhere?

Hon. Sandra Pupatello: Chrysler hasn't been affected in that regard, actually. They are doing well, we think. But that is the new way that they're doing business. It's also a function of what they agreed to in the last CAW agreement. They knew in their last negotiated round that they would be moving.

Mr. Jerry J. Ouellette: So the answer is no. It was a simple answer: Yes or no.

Hon. Sandra Pupatello: The training isn't related to a downturn; the training is related to how they increase productivity. So when they can build more cars—

Mr. Jerry J. Ouellette: We provided a great amount of training in Oshawa, and now these individuals are unemployed. All I tried to find out was whether you were providing funds for certain sectors within the economy because there was an expectation of downturn in those areas and they're now trained and ready to move elsewhere. That's all I'm trying to establish.

Hon. Sandra Pupatello: All of the training is related to how a company can become more productive. That means that today and going forward every Ontario company will have to be more productive.

Mr. Jerry J. Ouellette: So the answer is no.

Hon. Sandra Pupatello: Well, no. I have to tell you that the answer is related to productivity.

Mr. Jerry J. Ouellette: No, you don't have to tell me. You answered my question. We can move on.

Hon. Sandra Pupatello: No, my answer is productivity—

Mr. Jerry J. Ouellette: The next question is—

Hon. Sandra Pupatello: Chair, could you please make sure that the record shows that the answer is productivity?

The Chair (Mr. Tim Hudak): Thank you, Minister. Mr. Ouellette.

Mr. Jerry J. Ouellette: The next question deals with the free trade agreement. Can you tell me, as it relates to the content, what the free trade agreement is with the auto sector as it relates to production in Ontario?

Hon. Sandra Pupatello: I'll pass that question along to the federal government as it relates to their role in NAFTA.

Mr. Jerry J. Ouellette: I realize that you've tried on a number of occasions to abridge and deflect a number of significant things like this. I just asked a simple question. If you don't know, that's fine.

Hon. Sandra Pupatello: Well, the one area of involvement—

Mr. Jerry J. Ouellette: It's 62% that—

Hon. Sandra Pupatello: The one area of involvement—if you want my answer—we've had recently with the federal government on foreign trade deals has been South Korea, and we've been vehemently opposed to them signing that deal. We have not been engaged with the federal government or America or Mexico on NAFTA.

Mr. Jerry J. Ouellette: What does that have to do with the free trade agreement that I asked about? It's a simple question, and I realize you're trying to—

Hon. Sandra Pupatello: The free trade agreement with South Korea is the one that we've been opposed to.

Mr. Jerry J. Ouellette:—you're trying to blame the federal government. I don't play the blame game. If you want to do that, you can do that.

Hon. Sandra Pupatello: Canada's position is—sorry, but it's incorrect. Canada's position is supporting NAFTA, as is the Ontario government's.

The Chair (Mr. Tim Hudak): I think you made your point, Minister.

Hon. Sandra Pupatello: I don't understand what he's asking. Could you be clear what you're asking. Is it our position on NAFTA?

Mr. Jerry J. Ouellette: I understand it's difficult for you, but I'm sure if you take the time to listen, you'll understand.

The Chair (Mr. Tim Hudak): Mr. Ouellette has the floor. Go ahead.

Mr. Jerry J. Ouellette: The next question: Do you not think it would make a lot more sense to have this under a percentage of manufacture, so that if a vehicle takes 100% to manufacture, to understand that 62% would be manufactured in North America based on the volume—I'll give you an example. The example that was brought forward by myself was that an engine manufactured in China was valued at \$2,000, an engine manufactured in Windsor was valued at \$8,000, thereby allowing the 62% content in the auto sector to be achieved, as having North American content. It takes the same volume or percentage to manufacture that. What I think we need

to do to assist the auto sector is move to a volume percentage so that that same volume would not be a factor and we can't outsource. That way, it would help the sector here. Do you agree or not agree?

Hon. Sandra Pupatello: I'm going to forward your Hansard from this committee to the federal minister so you can take it up with him. I will tell you that—

Mr. Jerry J. Ouellette: Okay, that's fine. You've answered the question on what you're going to do with the answer, because you don't have an answer.

Hon. Sandra Pupatello:—when it comes to our automotive sector we have only benefited from the free trade agreement. Ontario has benefited more than probably—

Mr. Jerry J. Ouellette: Okay. In your time—

Hon. Sandra Pupatello:—any jurisdiction in North America from the North American free trade agreement.

Mr. Jerry J. Ouellette: Minister, there's limited time and you need to deflect it because you don't know the answer.

Hon. Sandra Pupatello: I'm going to pass along your comments to your colleagues in the federal government.

Mr. Jerry J. Ouellette: What was the price of gas in China while you were there?

Hon. Sandra Pupatello: I can't tell you that.

Mr. Jerry J. Ouellette: Okay, what was the price of gas in India when you were there?

Hon. Sandra Pupatello: I can't tell you that either.

Mr. Jerry J. Ouellette: Okay. In certain areas, for example, the number one is mentioned very much so—the Hummer was the large-sale vehicle in China.

Interjection.

Mr. Jerry J. Ouellette: I know that in the Middle East it was between 12 cents and 18 cents a litre that they were paying. In those areas, manufactured goods that are produced in Ontario are a large attraction, because if the Hummer is the number one producer, gas is not a figure. I'm wondering, did you bridge or do anything to try to promote the Ontario auto sector, to promote sales that would be a gain to manufacturers in our economy?

Hon. Sandra Pupatello: I hoped that this particular member might have been listening to some of the comments I made at the outset, because just very recently in India we brought 12 Ontario companies from the auto sector under the auspices of the APMA with us to the India auto show for the sole purpose of landing business in India for our Ontario companies. Separate to that, I have also referenced a company right here in the greater Toronto area that has landed a contract in the building of the Nano, which is a remarkable feat for India, and yet parts are being supplied from Ontario. So clearly we're engaged in all activity in landing business for our Ontario companies. That's why we're there.

Mr. Jerry J. Ouellette: One of the sectors where the costs are growing rather strongly is the metal sector throughout the world. You talked about the fancy telephone poles. I think it was in Hawaii, if Mr. Miller will correct me—

Hon. Sandra Pupatello: I can't hear that. Sorry?

Mr. Jerry J. Ouellette: Well, you were on your BlackBerry there. What I said was—

Hon. Sandra Pupatello: No, you're mumbling. What were you saying?

The Chair (Mr. Tim Hudak): Let's just—

Hon. Sandra Pupatello: Do you know what? Be clear. I don't get offered the opportunity to answer—

The Chair (Mr. Tim Hudak): Minister.

Hon. Sandra Pupatello: —and he's not speaking clearly with the questions. So tell me what you would like, Chair.

The Chair (Mr. Tim Hudak): I'd like the member who has the floor to proceed and ask his question. I'd like the minister, please, to conduct herself like a minister.

Mr. Jerry J. Ouellette: You spoke about the—are you able to hear this while you're working on your BlackBerry? Okay, good. The minister spoke about being in Hawaii and about the telephone poles that are being—

Hon. Sandra Pupatello: No, I did not. I didn't say I was in Hawaii. I wasn't in Hawaii.

Interjection.

Mr. Jerry J. Ouellette: Where was it?

Hon. Sandra Pupatello: In Tilbury, Ontario.

Mr. Jerry J. Ouellette: Tilbury. Okay, Tilbury. Yes, I'm surprised that they would have coconut trees in Tilbury, Ontario, because that's what the—

Mr. Paul Miller: The resin—

Interjection.

Mr. Jerry J. Ouellette: Anyway, one of the sectors in Ontario that has been hugely decimated is the forestry sector. There are a significant number of locations around the world that used telephone poles made out of metal. Have you looked at other areas that this could be utilized for promotional sales?

Interruption.

Hon. Sandra Pupatello: That's a vote for us?

The Chair (Mr. Tim Hudak): Yes, the vote. We'll have time to vote. We have one minute left.

Hon. Sandra Pupatello: Just to clarify, it's the resin technology that's being used in Tilbury that gave them the opportunity, because of our oil sands project in Edmonton. This is a company that participated with us last year that landed what the goal was: bringing manufacturing to Ontario because of oil sands. That particular company didn't just bring a job or a contract, they brought the entire plant to Tilbury, used technology here in Ontario, and they're building utility poles out of resin. The result of that is that they are now accessing contracts around the world and doing very creative things, including winning a contract through the utility commission in Hawaii, which is why they add the brown resin to the mixture so that it is aesthetically pleasing for the Hawaii market. That is innovation that is happening in Ontario, and it's happening because we're engaging with Ontario companies and helping them land business.

The Chair (Mr. Tim Hudak): That concludes that round of 20 minutes. Currently, our next scheduled meeting is next Tuesday, which would be May—

Interjection.

The Chair (Mr. Tim Hudak): No, as I said at the beginning of the session.

The clerk will be working with the minister on her schedule to make sure we can proceed as we've done. A week from today is the currently scheduled meeting, but we will notify members if there are any changes in the schedule, because we'll work with the minister on her schedule to appear in committee. So it's currently May 6. If that changes, we'll let members know immediately. We have concluded the official opposition's 20 minutes, so when we do reconvene, we'll begin with the third party.

Minister, Deputy and assistant deputy minister, thank you for your time. We are adjourned for the day.

The committee adjourned at 1750.

CONTENTS

Tuesday 29 April 2008

Ministry of Economic Development and Trade	E-5
Hon. Sandra Pupatello, minister	
Mr. Fareed Amin, deputy minister	
Mr. David Clifford, assistant deputy minister, corporate services division	

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E-4

E-4

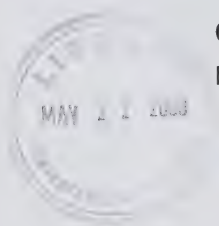
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First Session, 39th Parliament

**Assemblée législative
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**Official Report
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Wednesday 7 May 2008

**Journal
des débats
(Hansard)**

Mercredi 7 mai 2008

**Standing Committee on
Estimates**

Ministry of Economic
Development and Trade

**Comité permanent des
budgets des dépenses**

Ministère du Développement
économique et du Commerce

Chair: Tim Hudak
Clerk: Sylwia Przedziecki

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Wednesday 7 May 2008

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mercredi 7 mai 2008

*The committee met at 1634 in room 228.*MINISTRY OF ECONOMIC
DEVELOPMENT AND TRADE

The Chair (Mr. Tim Hudak): Good afternoon, folks. We are calling back into session the Standing Committee on Estimates, our second day of consideration of the estimates of the Ministry of Economic Development and Trade. There's a total of four hours and 55 minutes remaining of this ministry. You'll remember when this committee was adjourned last week, the official opposition had completed its 20-minute rotation. It is now the turn of the third party, so we'll begin with Mr. Miller, who has 20 minutes, and then we will continue a rotation for 20 minutes until we get close to the end of our time.

Minister, deputy and assistant deputy minister, welcome back. Mr. Miller, the floor is yours.

Mr. Paul Miller: Good afternoon, everyone. Once again, I've brought my entourage, as you can see. I would like to start off with maybe some follow-up on some of the initial questions I asked in our last meeting.

Mr. Chair, I believe the first question I asked was about manufacturing job loss numbers for a number of Ontario municipalities. I'm just wondering: Are those available? If not, when will they be available?

Hon. Sandra Pupatello: I think we mentioned last time you asked those questions that our data come from Statistics Canada, so it's everything that's available on the StatsCan website and that's the data we collect.

Mr. Paul Miller: So is that data available for me?

Hon. Sandra Pupatello: It's available on the website, absolutely.

Mr. Paul Miller: So I should look it up myself, then?

Hon. Sandra Pupatello: It's the same data. We don't do any further analysis or collection of data other than what StatsCan does. So we wouldn't have the specifics that he was looking for.

Mr. Paul Miller: So what you're telling me is that the ministry doesn't keep track of individual cities in Ontario, their present job losses or the situation they're in? They just follow StatsCan?

Hon. Sandra Pupatello: To the extent that StatsCan gives that level of detail, that's the detail we have as well.

Mr. Paul Miller: So I guess that's my only avenue then. I'm a little disappointed. I thought we'd have a bigger handle on that.

Moving on, I asked about job commitments in three ministry-funded projects, the first one being the \$235-million Beacon agreement with GM. Do we have any answers on that one?

Hon. Sandra Pupatello: In all three contracts that you requested, none of those are being made available to the public. None of the contracts out of AMIS, OAIS or the upcoming the Next Generation of Jobs Fund would be the kinds of contracts that we would publicize.

I know you gave us the opportunity last time to explain our position on this policy. We know that this is often proprietary information with the businesses that we're dealing with. They'll often identify for us what new innovation or new technology is in their plan to bring to Ontario or bring to the project, which is competitive information for them, and we recognize in our discussions with them since 2004 that if they knew this was material that would then become public, it takes away their competitive advantage and they simply won't apply. For that purpose, when there have been FOI requests on these contracts, the FOI office in fact has upheld our position and has released limited information, but not information that would answer this member's question.

Mr. Paul Miller: I guess in my municipal experience the only time we didn't give information at the municipal level would have been real estate deals with the city or pending contracts that had been tendered out for competition. This I find highly irregular. I'm not sure where in the Freedom of Information and Protection of Privacy Act it says that you can't release job commitment numbers in these kinds of agreements. I'm quite confused by that. Maybe you could help me out.

Hon. Sandra Pupatello: Just as an example, some of the technology that we actually want to bring into Ontario would be technologies that result in better levels of productivity, so it's directly related to a jobs number. Even the former government, when they released their program—I won't get the title wrong. It wasn't auto specific; it was industry specific. In fact, the Chair may actually have been on his way into the ministry or out of that ministry at the time that it was released. I know Jim Flaherty was there at the end of it all. But again, it was the same issue. At the provincial level, when we are dealing with private companies, we engage in very confidential information and discussions with them on the contract, with the understanding that that is not informa-

tion that's going to be released to the public, or they simply won't engage us and then we won't have companies that will come to make those investments under these programs. So it would completely undermine the programs.

1640

Mr. Paul Miller: Would it be fair on my part to assume that these contracts would involve public funds?

Hon. Sandra Pupatello: Absolutely, they would.

Mr. Paul Miller: They would.

Hon. Sandra Pupatello: They are public, taxpayers' dollars.

Mr. Paul Miller: So we're saying that the public of Ontario are not privy to the fine details in those contracts. Is that what you're telling me?

Hon. Sandra Pupatello: I think that if the member ever has an opportunity in the future to be a member of the government, he can select the kind of policy he would have in his dealings with the private sector.

We've realized since 2003, when we tabled the first program, which was the \$500-million Ontario automotive investment strategy, that when those programs are engaged in detailed contractual discussions with companies, they know it is a confidential discussion with MEDT. That's simply the way it has been from the beginning.

The programs have been very, very successful. In fact, there are a number of companies in the Hamilton area that have benefited because of the OASIS program, and we're happy about that. The companies are telling us that it has worked, and that other jurisdictions would have received those investments were it not for the program we had. So we know it is working.

I appreciate the member's interest in knowing that level of detail, but again, when we've been FOIed in the past, we've explained that the very nature of the program compels us to be very judicious about information we would release to the public. It includes the kind of competitive information that a company gives us in order to meet criteria set out in that program, which is simply not information we would make public.

Mr. Paul Miller: Could the minister explain to me how she links that with the competitiveness of a company, because they're getting money from the government? I fail to see the relationship between that and what you have told me. Maybe you could explain that further.

Hon. Sandra Pupatello: Sure. The very nature of the automotive sector—I know this member is very familiar with it, as well as our members of this committee—compels Ontario companies to become increasingly more competitive. "Increasingly more competitive" puts our companies, our government and all the representatives in the House in a position to say, "We need our companies to be more competitive. That means the workforce we now have needs to produce more." That's essentially what that would be: higher levels of competition to be more competitive on the world stage.

When they make application, whether it's a small or medium-sized business or a large company, in order to meet the criteria we set out, we would say, "What is the

new technology you are bringing that's going to make it faster, lighter, quicker, speedier processing?"—whatever that thing is. That very piece of information may or may not change what the workforce level is, because productivity automatically includes a conversation about the workforce. So we recognize that in the long term our goal is for our companies to be more productive and more competitive on the world stage.

That type of information is confidential in a conversation they would have among themselves. They're prepared to give us that information to meet the criteria of the program and access the funding. Again, they understand right at the outset, in dealing with economic development and trade ministry officials, that it is very confidential information. We would not speak of it, whether it's related to a program or just related to conversations, like some of our recent conversations around CanGro in Niagara. There is data and information that we have, based on our conversations with company officials, local leadership or individuals who might be interested.

We are in no position to have that public conversation about what our discussions have been. It would be seen as completely inappropriate. In this case, we simply won't divulge information where we've guaranteed these companies confidentiality.

Mr. Paul Miller: Thank you, Minister. Once again, I hate to belabour this, but I fail to see the relationship between productivity, workforce levels, research and development, new technology—I'm assuming that some of this money from the government would go to those territories. I fail to see how that puts a company at a competitive disadvantage with announcements in new technology, which they can protect through their own sources in the plants. They don't have to share their technology by saying how much money they've got. All those four things—productivity, workforce levels, research and development, and new technology—are not sacred cows in my opinion.

If I can ask this question from a different angle, are there any job commitments in your agreements with GM, Ford or Chrysler? I'm not talking about numbers or money here; I just need a yes or no. Are there any job commitments in these agreements?

Hon. Sandra Pupatello: The one way that I'm able to answer that question is to tell you that in all of the examples you've listed, these companies have not breached any part of their contract with the Ontario government.

Mr. Paul Miller: So they don't share those kinds of resources with you, is that what you're saying? They'll share it with you, the government, but not the public.

Hon. Sandra Pupatello: Well, no. You asked specifically about our contracts, and our contracts have not been breached by any of these companies.

Mr. Paul Miller: Well, I fail to understand it, but anyway.

GreenLink: I'd like to ask questions about your participation in the recently released DRIC Windsor-Essex Parkway proposal. Could you give me some details on that?

The Chair (Mr. Tim Hudak): Can you be more specific with your question?

Mr. Paul Miller: Well, my understanding is that the city of Windsor opposes your proposal and favours its own plan called GreenLink. Is that so?

Hon. Sandra Pupatello: Chair, just because this falls under another ministry, is there some—I'm not going to be outside of—

The Chair (Mr. Tim Hudak): It's a fair question by the minister. We are considering the estimates of the Ministry of Economic Development and Trade. Therefore, I ask members of the committee when they're asking their questions to make sure they are relevant to the estimates that are before the committee: programs the ministry runs etc.

Mr. Paul Miller: Thanks, Mr. Chairman, but I do see the relevance of the initial question, which I expanded on.

The Chair (Mr. Tim Hudak): Could you phrase it—Windsor says one thing and Ms. Pupatello in her role as an MPP says something else. You need to phrase it in a way that has to do with the ministry.

Mr. Paul Miller: All right. Could the minister make it more clear for me what direction the government is taking with the city of Windsor in this proposal? One says one thing, another says the other. I just want to know which way we're going.

Hon. Sandra Pupatello: Chair, only because the MEDT isn't responsible for GreenLink per se. It's certainly an economic issue for the government of Ontario, but it just doesn't fall within. I don't know if you have a protocol on this.

Mr. Paul Miller: I can expand on the question if you'd like.

The Chair (Mr. Tim Hudak): Make it as specific as you can to the ministry.

Mr. Paul Miller: All right, I'll try to be specific. My understanding is that the provincial plan calls for 11 short tunnels or overpasses, totalling 1.8 kilometres, creating 240 acres of green space. This compares to the GreenLink proposal backed by the city of Windsor which creates 300 acres of parkland, with fewer but longer tunnels totalling 3.8 kilometres. Are these numbers accurate?

The Chair (Mr. Tim Hudak): If the minister responds from the capacity of her ministry—

Hon. Sandra Pupatello: Let me say that certainly it's outside the purview of the Ministry of Economic Development and Trade. I'm happy, from an economic perspective, to speak of the importance of a border route and additional border crossing at the Windsor-Detroit crossing.

It is the largest and busiest border crossing in North America, and it's imperative that the four levels of government on two sides of the border are actually quite engaged in this. The DRIC, or the Detroit River International Crossing, is the committee that's comprised of the government of Ontario, the state of Michigan, the federal government of the United States and the federal government here in Canada. Those four governments are all

members of the DRIC, or Detroit River International Crossing.

They engaged in, and started over a year and a half ago, an environmental assessment that's based on seven criteria. Those officials from those parties, who are members and work on this environmental assessment, have been actively engaging and consulting with the public. Of course, much of that consultation has been with city officials and the city council and mayor. The mayor in fact is the spokesperson on this file for the city of Windsor. Over the course of the last year and a half, the DRIC committee, which is officials and not politicians or elected representatives, have been engaging in consultation and every several months have come forward with yet another tabling of where they are at that point.

The final recommendations were tabled last Thursday in the city of Windsor by the federal government, as well as the provincial government represented through the Ministry of Transportation whose officials sit on the DRIC. When this final recommendation was tabled, the members of the committee also made the public understand that while this is the final recommendation that's been tabled, it too is a function of the environmental assessment, and the requirements of the EA call for public consultation on this final recommendation. In fact, what has been tabled is 11 tunnels that span the course of about seven kilometres. There are 240 acres of green space affiliated as well with that plan that's been tabled. As cabinet ministers, the two local MPPs, me being one of those two, haven't—

Mr. Paul Miller: I don't need the whole proposal in my short time. What I'm trying to say is—

Hon. Sandra Pupatello: I'm happy to continue, though.

1650

Mr. Paul Miller: I know. You'd be glad to take my whole 20 minutes.

With all due respect, Minister, my understanding is that the GreenLink would cover 64% of the road—this all relates to money that we're putting into this proposal, so I think it is economic development, with all due respect—whereas the new DRIC plan would cover 33%. I just want to know, are those numbers accurate: 64% of the road with green space, where the DRIC plan would cover about 33%. Is that a good—

Mr. Lou Rinaldi: On a point of order, Chair: I think we need your due diligence to rule on this. I don't see this in any light in the Ministry of Economic Development and Trade that we're here to discuss today. I'm sure—

Mr. Paul Miller: A point of order—

Mr. Lou Rinaldi: Mr. Miller could get that information through other sources.

Mr. Paul Miller: With all due respect, Mr. Chairman, a point of order—

Hon. Sandra Pupatello: I'm happy to take the question, Chair.

Mr. Lou Rinaldi: I think I have the floor, Mr. Chairman.

The Chair (Mr. Tim Hudak): I'm going to hold the time. I don't want to take away from Mr. Miller's time in this. I can make a ruling on this thing that will make it clear, if that's okay. We have the estimates of economic development and trade, so I do need members to make sure their questions are based on the estimates. The estimates have a role for economic development and trade in terms of promoting the province and creating jobs. The minister answered the last question in that capacity. I wouldn't expect the minister to answer detailed questions if it's being funded by another ministry, but I would assume that she can answer it in terms of the economic development potential of the project.

Hon. Sandra Pupatello: Yes, and I am happy to take these questions. I just realized that the protocol for estimates is specifically related to—

Mr. Paul Miller: There goes my five minutes, Mr. Chairman.

The Chair (Mr. Tim Hudak): I stopped the clock for the point of order to allow you to continue.

Mr. Paul Miller: Okay.

Hon. Sandra Pupatello: I will tell you that it is the intent of the Ministry of Economic Development and Trade, as it has always been, to be an advocate for infrastructure development in the province of Ontario. This is the most significant corridor for international trade in Ontario, and in fact in the nation. We're very pleased to see that what's been tabled as the final recommendation by DRIC is by far and away the largest investment in infrastructure that Ontario has ever seen through the Ministry of Transportation. It is a phenomenal project.

Mr. Paul Miller: Is this a photo op?

The Chair (Mr. Tim Hudak): It's a question that a different ministry is the lead on. So I think it's fair for the minister to answer for economic development if we ask her that.

Mr. Paul Miller: I understand that this is a major project and, with all due respect to the minister, these questions involve money and the best way to do the projects. They are questions which economic development was part of. I firmly disagree with Mr. Rinaldi's comments because it is my option to ask questions on, as you pointed out, Minister, one of the major projects we've seen in years—

Hon. Sandra Pupatello: I'm happy to take your questions on this.

Mr. Paul Miller: I've got a lot more and I'd be happy to share them.

Hon. Sandra Pupatello: If I can just finish the last one, then. At this point, \$1.6 billion to \$1.8 billion is the estimate. In fact, the estimates from both the city's proposal and the government of Ontario's proposal are similar, off by probably half a billion to \$700 million in terms of costing. But by far and away, it is miles away from where we were in 1999 when a nine-point plan was tabled by the governments of the day, which would have had two lanes going in each direction along E.C. Row,

which is cutting across the community, east to west. It is now along Huron Church. The Windsor-Essex Parkway is how it's been tabled. It goes along Huron line and takes into account the communities that find themselves along Huron line. That \$1.6 billion to \$1.8 billion is in fact going to connect those communities with 240 acres of green space. It's actually quite a phenomenal project that's been laid out. I hope Mr. Miller has an opportunity to see it when it's finished because I think it's something he'll be really proud of as a representative of the government.

The Chair (Mr. Tim Hudak): You have three minutes left.

Mr. Paul Miller: I've got three minutes left? Okay.

It's my understanding that, at best, both plans could cost about \$1.6 billion and at worst the GreenLink might cost a little more. Would that be—

Hon. Sandra Pupatello: Half a billion to \$700 million or so.

Mr. Paul Miller: Half a billion more. If this GreenLink project has so many advantages and has the backing of the mayor and the Windsor city council, why is the province backing an inferior proposal?

Hon. Sandra Pupatello: In fact, it isn't an inferior proposal, so the premise of the question is wrong. What's really important to note is that the same seven criteria that all of the recommendations have to be scored against have to take into account what the city has proposed. All of the proposals then get run through those same seven criteria. The reason that the project has grown since its inception of being along E.C. Row, going east-west a couple of extra lanes, to this phenomenal project is because the DRIC officials have actually taken all of the best parts of GreenLink that fit within the seven criteria.

Some of what the city proposed simply doesn't make the grade. There were several safety issues that came to light and that DRIC had to tell the public about. The sides, for example, of the tunnels went straight up and down. That wouldn't allow EMS personnel to get into the tunnels if there was a fire or a crash. What the city of Windsor proposed didn't have shoulders through the tunnels. That simply doesn't meet MTO standards. MTO will not pay for a highway if it doesn't have a shoulder. So those are very specific items that were difficult in the city's proposal.

Mr. Paul Miller: That's good. I've got just about everything I need except how many trees they planted.

Is it true that Ontario officials met with non-city, county politicians a day prior to releasing the DRIC's final \$1.6-billion parkway plan to the public and the city of Windsor?

Interjection.

The Chair (Mr. Tim Hudak): Yes. Mr. Miller, if you could relate these things to the ministry and the estimates that are before us. Asking the minister about city council meetings I don't see as a question that's—

Mr. Paul Miller: No, I asked if Ontario officials met, not city councillors.

The Chair (Mr. Tim Hudak): Oh, I'm sorry.

Mr. Paul Miller: I guess you didn't hear it. I asked if Ontario officials met with the non-city, county politicians a day prior to releasing the DRIC's final—

Hon. Sandra Pupatello: Sorry. Non-city county?

Mr. Paul Miller: Non-city, county politicians: Non-city of Windsor, county politicians—I don't know who was there; I'm just asking—a day prior to releasing the DRIC's final \$1.6-billion parkway plan. Yes or no?

Hon. Sandra Pupatello: I hope that this member also has the next day's newspaper, which also identified that the warden of the county of Essex, who was out of town on the day the DRIC would be tabled, asked if he could have his briefing the day before. So, in essence, he had about a 30-minute meeting where he was shown exactly what everyone else was shown the next day when the county warden would not be available.

Mr. Paul Miller: So that would be a yes.

Hon. Sandra Pupatello: I'm being very clear. The warden has answered that question in the local papers.

Chair, it is a little difficult, because this kind of questioning on these matters—I appreciate the politics involved for the member perhaps, but he's clearly reading the local newspaper into the record, and I appreciate that. I just wish he would read all of the newspaper into the record.

The Chair (Mr. Tim Hudak): Our time is up. We don't have to get too much into the back and forth.

Again, I do want to remind members that we have the estimates for the Ministry of Economic Development and Trade for 2008-09. If it's about economic development, the minister's free to respond, but the level of detail for a non-ministry item wouldn't be expected.

We have 20 minutes now to the government members. Mr. Rinaldi.

Mr. Lou Rinaldi: Minister, welcome. It's the first time that we get to chat from this side.

I do want to talk a little bit today, in the 20 minutes that we have, about some of those budget line items that I think people need to know and the committee members need to know.

Can you make some more detailed comments, when we talk about the increase in our 2008-09 budget over the 2007-08 budget that specifically relates to, for example, the Next Generation of Jobs Fund and the Invest Ontario agency—and, as you know, Minister, something that's very close to me is the eastern Ontario development fund that we used to have many years ago that was gone and now is part of our budget this year. As you speak about these, can you relate what your ministry's expectations are in expanding these funds, where we want to go and, hopefully, what our goals would be? I think this is really, really important, as we transform the job situation in Ontario from the past into the future, so if you could elaborate on that a little bit, I'd appreciate it.

Hon. Sandra Pupatello: I think Mr. Rinaldi is very accurate in identifying how the Ministry of Economic Development and Trade has increased in terms of its overall budget size. It's directly related to programs that

are meant to respond to the challenges and the opportunities that exist in Ontario today.

The largest impact on our budget line, in fact, is the Next Generation of Jobs Fund, which is a \$1.15-billion fund which is the next generation of what was a very successful Ontario automotive investment strategy. We're able to take \$1.15 billion and go around the world. In fact, we can't find a fund in any other jurisdiction that is as large as our fund.

1700

Moreover, the fund comes with a 45-day service guarantee which the business community thinks is just terrific, and we're having a terrific response from it. What that means is that from the time we accept a completed application for the Next Generation of Jobs Fund, 45 days later our government is compelled to have an answer, yes or no. If the answer is yes, if they meet all of the criteria that have been set out on our website at www.ontariocanada.com, then we're also prepared to put 20% of our share on the table, right at the front end. That's really meant to help companies with that capital flow, to get those projects going. The response we've had is terrific.

In addition, it goes beyond what the auto fund did because it moves into other sectors as well. There's a recognition that there are a tremendous number of sectors that we can scour the globe for opportunities to bring those sectors here into Ontario, where we do very well—the IT sector, for example. ICT is the third-largest sector in North America, right here in Ontario, and we're very proud of that. So we're going out and telling them, "This is the fund, www.ontariocanada.com. Come and look and see. Do you have a project that you can bring here to Ontario?"

This member referenced the eastern Ontario development fund. This particular member was a huge proponent of the development of it, and he's right to say that these kinds of initiatives for eastern Ontario did exist. In fact, eastern Ontario had an office for development back in the day. Unfortunately, under the last government here in Ontario, that office was closed. We've moved back into the business of looking at our areas that see challenges in many different ways, and sometimes more severely than others.

Eastern Ontario has seen some areas that are more chronic than others where we've got to respond, and we've done that with a very healthy fund specifically geared towards opportunities that we can bring into eastern Ontario. We're very happy to say that we're now going through all of our processes to identify how those criteria will come out. Our parliamentary assistant to the Minister of Agriculture is heavily involved in that plan. We're just about ready to launch that and we believe we're going to have a great response from it.

We've also done some very interesting things in economic development and trade around our communities in transition program. That's a fund that we've actually taken to be able to have that kind of funding for communities that are going through very particular

challenges. The member from Northumberland recognizes many in his own area that have taken advantage of the communities in transition fund, where we work with largely municipalities and economic development commissions that have really good plans, that need just that extra bit of help to build a strategy for how to respond to a challenge that exists in their community. We're able to do that.

The response we've had from communities is that this government is listening. We recognize what those challenges are. In some instances, there is no place for the provincial government to respond to something that is happening in the business community because of global competition, the rise in the Canadian dollar, oil prices being what they are—I think today it's \$119 a barrel. Those kinds of issues make it difficult for a sub-national government to respond. So where can we intervene? How can we be helpful? We're finding ways to make a difference in those communities.

I thank you very much for that question.

Mr. Lou Rinaldi: That kind of zeroes in on the direction we're going. I just want to spend a minute to talk about the eastern Ontario development fund. We know that eastern Ontario has one of the oldest infrastructures when it comes to roads and bridges, and is one of the least populated parts—maybe not quite as bad as some places in northern Ontario. Any help we can provide to the local communities or for industry to locate or expand—or retain, I guess—is certainly a welcome gesture. I can tell you that folks, not just in the riding of Northumberland—Quinte West but all of eastern Ontario, are waiting with open arms for when we finally announce it. I know the staff, both out of your office and the ministry staff, have done a great job in trying to put a real comprehensive plan together that I think addresses those needs, after the extensive consultation we did where stakeholders in those communities were able to put their best foot forward. We're anxiously waiting for that. I know that in the next two or three weeks we'll be able to announce that—hopefully—and can get eastern Ontario moving.

Having said that, I think it's also very important that—

Mr. John O'Toole: The ethanol plant, just east of Peterborough.

Mr. Lou Rinaldi: Peterborough is included and so is the city of Kawartha Lakes, and east. I want to try to help the member from Durham.

Minister, I just want to get back to some of our principles, when we talk about how to move forward. I touched before on our five-point economic plan and what we're basing some of our move-forward ideas on. We do have a five-point plan: investing in skills and knowledge; investing in infrastructure for a stronger Ontario; lowering business costs, because that's certainly something that we hear; strengthening our environment when it comes to innovation; and the partnership piece. Obviously those are key to not just your ministry, really, but to move forward with job creation and the economy.

Hon. Sandra Pupatello: I'll speak specifically to key partnerships that we've engaged in through the Ministry of Economic Development and Trade, where we've reached out to some sectors that are seeing tremendous growth. One of the large reasons that we have a net new job number of some 450,000 jobs or more in Ontario—net new jobs—is that much of that comes from sectors like the financial services sector and the ICT—information and communications technology—sector, where we are seeing tremendous growth. While some don't want to admit it, those sectors, in fact, are very well-paid sectors.

The more that we can do as a government, where we can insert ourselves and intervene to actually be helpful—we've engaged round tables with both the financial services sector and the ICT sector as two good examples of partnerships. At these round tables, depending on what the conversation or agenda of the day will be, we'll bring in our colleague ministers from other ministries that have a direct relationship with that sector as well. With financial services for example, I'd bring my colleague the Minister of Finance. With ICT, I might bring the Minister of Health because e-health and various strategies employed in the health sector will actually be helpful to our IT sector here in Ontario.

It's become a very good forum for us to be very informed about the current needs and issues and challenges facing our sectors where we want to see growth. Number two, it gives us an opportunity to have that dialogue in a very direct manner, to say, "If we did this, what would our response be? How is it that we can make that change and improvements?"

For both of those sectors, as an example, their number one issue is talent. But, for finding people with the right set of skills, they will grow. We know, of course, that our Ministry of Education and our Ministry of Training, Colleges and Universities have key levers to make certain that the people we graduate have the skill set that those two sectors need. And so, at our round table sessions, we brought the Minister of Education and the Minister of Training, Colleges and Universities to the table to hear first-hand what levers they can employ to make a difference for these sectors. Those are really good examples of key partnerships.

Our programming is another very key area where we can show clear partnerships, both the advanced manufacturing investment strategy—which is a half-billion-dollar loan program where we very directly partner with business on projects—and our Next Generation of Jobs Fund, again, a direct partnership with business where we partner in the investment they're prepared to make in Ontario.

They meet criteria, and we're clear about those criteria being focused on advanced levels of manufacturing, on key initiatives, innovation related to our green agenda or our climate change agenda, green technologies, clean technologies, and making new products innovatively with higher levels of productivity, products that we want made in Ontario that they then can sell to the world. We are an

export jurisdiction and we know that our programming needs to line up with helping our companies in Ontario export to the world.

Many of our partnerships, again, are through our international marketing centres. As an example, we're opening 10 offices around the world. We opened the Mexico City office yesterday, where we have key opportunities in partnering with our businesses here in Ontario to bring them to other parts of the world so they can do business. We believe that the healthiest economy for us will be one where Ontario will have companies, frankly, with a footprint all over the world. We want our companies to be global. All we can do in our policies is to help Ontario companies be global. That's what we believe we need to do.

So our focus has been, in a huge way, seeing that our 10 offices are up and running and that we have key senior economic officers in all of them. The public can find information on all of our 10 IMCs through www.OntarioCanada.com. Look at what they do. Look at what products they have. Depending on the market it's in, there may be one relevant to New Delhi or the Indian market, as an emerging market, or there may be one relevant to Munich, Germany. Depending on their product will depend on where and what part of the world they should be engaging.

Our SEOs—senior economic officers—are in a position to help do that matchmaking, help clear the way to find where their market might be in those parts of the world, saving businesses time and money. We're having some great success by the work of our international marketing centres.

1710

Mr. Lou Rinaldi: Do I have time left?

The Chair (Mr. Tim Hudak): Absolutely. You still have eight minutes.

Mr. Lou Rinaldi: Good. Obviously, there's no clear single bullet. We're facing some challenges and I think, as a government, we haven't ignored the fact or tried to obscure the fact that there has been some significant job loss in Ontario. I have some in my riding and I'm sure every part of Ontario has been touched by job losses. We talked about all the contributing factors. Ontario is not insulated from the rest of North America or probably the world when it comes to that issue, and I think people understand that. But I guess, Minister, just recognizing that those jobs that are lost are real jobs—I often say Mr. Smith, working in ABC factory, 45 years old with two kids and a mortgage—and that they're gone, can you sort of elaborate on some of the programs we just talked about? How do we bring forward those folks to get them back into the workforce? Not just how we bring them back to work, but what are we doing to industry to be able to stimulate that?

Hon. Sandra Pupatello: Much of our five-point plan, the \$1.5 billion that was announced in the last budget, is focused on skills and knowledge in our workforce. Much of that plan is also geared to a response in offering programs that never existed before.

When we took over Employment Canada and had it run through the provincial government—through the Ministry of Training, Colleges and Universities—it also meant that they had to adopt some of the federal rules. Frankly, rules that were developed in the 1970s simply don't work so well anymore in this current environment. So what has happened, and what we're pretty excited about, is that the Premier spoke very directly to a very similar case study to the one that you mention today. If you're 45 years old and you've worked somewhere for 20 years, what do you do when that job is gone? How do we take that person and retrain them for a job that is available in this market and cannot be handcuffed by those rules of EI that come from the federal government and that just aren't realistic in many instances? So this second-career program that MTCU is now busy developing is especially meant to address the need of that case study that you mentioned. We're going to have a program that can address things like the expenses and living costs that a 45-year-old would have, someone with a spouse and children and a mortgage, having to make that big step to go back to school, to go back for a year extra at college, whatever that retraining is going to be to be able to add on to that skill set for the job that exists today.

I have to say on the job numbers that we've got to be very clear. When we read in the paper that a company has announced a layoff of X number, the reason we're so careful is, it's actually quite difficult to discern what are the real numbers. Much was said about the GM announcement some time ago. Let's be clear: A year before, this same automotive company had also announced that 1,000 people were going to be laid off several months down the road. As this company went through those several months, the number that was announced initially and the number that it actually was differed by 600 people. That is significant. So when we hear a large number like we heard from General Motors the other day of 900, we have to step back and say, yes, that's what they've announced may happen in September, but we have to recognize that ultimately, the number is rarely the number that is initially announced.

The reason that's important is that some—perhaps opposition members—want to make the count and they will count the most egregious number when that, in fact, is not the number. We've got to be really careful about how we talk about it.

We know that there are challenges, and we are working with companies at every opportunity that we have. I spoke with the CEO at Campbell's the other day because we recognize that the Campbell Soup Co. is an important part of the fabric of Ontario. We've got to talk about, is there an opportunity for them to engage with us where perhaps we haven't had that engagement before? Let's talk about it. Often, in the economic development business, they say it's easier to save a job and expand from current facilities in Ontario than it is finding brand new greenfield investments in Ontario, so we've got to be mindful of opportunities from the companies that we

already have in this province. Much of the time that we spend through our industry section is, in fact, on talking to companies that are here today, making them aware of the multitude of assistance that can be had from the government of Ontario alone, whether that's an apprenticeship tax credit to help retrain some of the people on the job for a tremendous benefit—the best apprenticeship tax credit that exists in North America—or perhaps it's going to be engaging a company in doing R&D in Ontario that perhaps they haven't done before. Ontario, in fact, boasts the highest and best tax credit in R&D that exists anywhere in North America.

That's a great story for us to tell. We need to tell those stories to our Ontario companies and make them aware that we have AMIS, the advanced manufacturing program, that we have the Next Generation of Jobs Fund, that we have the rural economic development program out of the Ontario Ministry of Agriculture, Food and Rural Affairs for parts of Ontario that are in rural Ontario. These are great opportunities where businesses can directly benefit, to come here and expand and bring jobs to Ontario.

We are on a very aggressive path, as many have read. We are doing a full-court press around the globe to look at every opportunity in many, many sectors to bring people to Ontario. We have a great story to tell. We have great criteria that businesses look for all the time, and I think it compels every one of us as members of this House to talk about Ontario in these glowing terms, because we in fact have a great story to tell.

The Vice-Chair (Mr. Garfield Dunlop): You've got about a minute and a half, two minutes, Lou, at the end. Okay?

Mr. Lou Rinaldi: Thanks very much. Just quickly, Minister, because we are running out of time: Once again, along the whole job loss and what we're facing in North America, we hear about jobs that are leaving Ontario and Canada and maybe going to some Asian country like China and the Indias of this world. I guess when we lose those jobs—and we know that we cannot compete in the labour force with those folks. I mean, definitely we don't expect Ontarians to work for \$2 an hour or \$3 an hour. What are we doing to sort of replace those jobs, in more detail? Some of those jobs are leaving. That's a reality.

Hon. Sandra Pupatello: I know that last time we had an opportunity to talk about this world phenomenon, because every jurisdiction, if they considered themselves at one time to be a low-cost jurisdiction, always has another lower-cost jurisdiction around the corner. Some of the phenomena that we've seen while walking through India when we would be in New Delhi or Bangalore—and recognizing that there's a Chinese delegation around the corner who are looking to outsource what they always manufactured in China, but they're looking for a lower-cost jurisdiction in India. Having just come back from Mexico City and from Monterrey, a very industrialized area of Mexico that is doing a tremendous business, and recognizing that they considered themselves to be a low-

cost jurisdiction, but not any more because just around the corner is another lower-cost jurisdiction and what they are seeing is jobs moving offshore from Mexico off somewhere else, they are where we were. In fact, we've said for some time that this has been compounded in Ontario because we do have a dollar value that no economist in Canada predicted would be this high or stay this high this long, and that—

The Vice-Chair (Mr. Garfield Dunlop): You're just about done your time there: about two more seconds. Wind it up.

Hon. Sandra Pupatello: Thanks. So because of all these issues, the price of a barrel of oil—we're all facing these issues and it's a matter of how government responds to these challenges that I think will prove to the people of Ontario that we continue to look for very good jobs for the people of Ontario.

Mr. Lou Rinaldi: Thank you.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much. To the official opposition and Mr. Hudak.

Mr. Tim Hudak: Thank you, Minister, Deputy and assistant deputies, Mr. Séguin. I just want to say at the beginning too that I'm pleased to see the most handsome and capable Chair that we've had at this committee now taking the fore. I'd hope the minister doesn't disagree.

The Vice-Chair (Mr. Garfield Dunlop): You need glasses.

Mr. Tim Hudak: Minister, I want to ask you some questions, obviously, about the CanGro closure in Niagara. I've had a chance to ask a couple of questions in the Legislature and I wanted to follow up on that.

Page 11 of your estimates outlines a number of job funds, and then the actual vote is on page 49 that indicates the funds that are available. Did CanGro qualify for any of your job creation funds?

Hon. Sandra Pupatello: CanGro wouldn't have applied for any of them.

Mr. Tim Hudak: Did they qualify?

Hon. Sandra Pupatello: We wouldn't know whether they qualified; they hadn't applied. I will say that, historically, when in fact you were a minister representing the Niagara area, in 2002, through the Ministry of Agriculture when your government was the government, they did receive \$4 million through the RED program, the rural economic development program. We have asked if there were any qualifying criteria at that time. We haven't gotten that information yet, but perhaps you would be able to share with us what conditions you put on the \$4 million you did give to CanGro.

Mr. Tim Hudak: You asked who for that information?

Hon. Sandra Pupatello: You.

Mr. Tim Hudak: Me, personally?

Hon. Sandra Pupatello: Yes.

1720

Mr. Tim Hudak: I'm sorry, I didn't get that request.

Hon. Sandra Pupatello: You can get back to me on that one.

Mr. Tim Hudak: You could get it from the Ministry of Agriculture, Food and Rural Affairs—right?—with the OSTAR RED program.

You did indicate in the Legislature, and you've said in the press, that the province of Ontario gave CanGro \$4 million—

Hon. Sandra Pupatello: Your government, just to be clear.

Mr. Tim Hudak: If you don't have information, how do you know that to be a fact?

Hon. Sandra Pupatello: Just to be clear, your government actually did it. Since we became the government in 2003, we've not had engagement in finance in CanGro. It was in 2002, under the previous government.

Mr. Tim Hudak: So if you don't have any information on this so-called \$4-million grant, how can you state it as a fact that the province gave them \$4 million?

Hon. Sandra Pupatello: This is information from CanGro.

Mr. Tim Hudak: CanGro told you that they received a grant of \$4 million from the province?

Hon. Sandra Pupatello: Yes. This is well known. That's why we were asking exactly what conditions might have been on that, because it was a \$4-million grant, as I understand it. It wasn't a loan.

Mr. Tim Hudak: It did come from the Ministry of Agriculture, I think—actually, it was Municipal Affairs and Housing, the OSTAR RED program that now is at the Ministry of Agriculture.

Did you work with Minister Dombrowsky when it came to saving CanGro or trying to save CanGro?

Hon. Sandra Pupatello: In fact, from the very beginning, the Ministry of Agriculture, Food and Rural Affairs has been engaged with us in all of the discussions.

I have to tell you that there were a number of signs. Because we have officials who are out there across the province in a number of sectors, we try to reach out to companies before they make an ultimate decision. With CanGro, there's probably been less discussion, frankly, because we wouldn't have success in hearing back from officials of the company. I'm not sure if you, as a minister at that time, had that same experience with CanGro out of their head offices, but it's been very difficult to bring them to the table.

Mr. Tim Hudak: The program that gave the grant back in 2003—2003 actually was the announcement—was the OSTAR RED program that you now call RED. So it's now housed with the Ministry of Agriculture, Food and Rural Affairs. Did you ask the minister about the facts around that grant?

Hon. Sandra Pupatello: Well, she wasn't the minister at the time. In fact, I don't believe you were the minister at the time either. Well, because you were the minister from Niagara and you probably were an advocate at the time, I would presume that you'd likely know some of that detail. I'd really like to hear some of that detail.

Mr. Tim Hudak: You know, it's important that when the Minister of Economic Development and Trade or any

minister of this government makes assertions, they have the facts correct. Otherwise, they would give the wrong impression to the public.

Hon. Sandra Pupatello: Perhaps you could clarify. I would love to hear detail of that grant that you gave to CanGro.

Mr. Tim Hudak: Absolutely. I do want to say, Chair, it's disappointing that if the minister is using this in her speaking points to the media and to the tender fruit growers and taxpayers of Niagara and the province, she didn't bother checking the facts, because it's a program that currently exists at the Ministry of Agriculture. It would have been a simple phone call to your friend Minister Dombrowsky to get the facts.

I'll read from a news release sent August 28, 2003: "Eves government invests \$794,000 to bolster"—

Hon. Sandra Pupatello: I'm sorry, what was the number?

Mr. Tim Hudak: It was \$794,250. So about \$795,000 was the level of funding from the province to CanGro. Why did you say it was \$4 million when the actual grant was less than \$800,000?

Hon. Sandra Pupatello: Would you mind telling me what the money was for, the almost-million dollars, then, that you would have approved, probably as a cabinet minister at that time?

Mr. Tim Hudak: "The Ernie Eves government is investing close to \$800,000 for new technology to support local fruit packaging in the Niagara region," Bart Maves, MPP for Niagara Falls, announced today on behalf of Ernie Hardeman, associate Minister of Municipal Affairs and Housing, responsible for the program."

So why would you say, Minister, it was \$4 million when the grant was only \$800,000?

Hon. Sandra Pupatello: There were probably others as well that perhaps tallied in. Maybe that's the one press release that you found. But I really am curious to know that with the almost-million dollars that you probably would have approved as a cabinet minister, if there were any qualifiers to giving any level of taxpayer dollars? Were there any conditions on the money you gave? For example, if they don't stay in business in Ontario, would you get the money back? Would you then at least have access to the machinery that you helped to buy? Perhaps you could identify if that's where you were going, or at least that's what you thought, as a minister at the time, that there would be that kind of qualifier.

Mr. Tim Hudak: It's interesting, Chair, that the minister is asking me, as a member of the committee, for facts that she should have at hand.

Hon. Sandra Pupatello: Well, it's a different government and I know there was a different view at the time.

Mr. Tim Hudak: I do want to say, too, for the record, that if the minister is making these assertions publicly—making excuses, in my view, for inaction on the CanGro file—she should at least check the facts. Saying it was a \$4-million grant with no strings attached is far from the realities at the time.

You asked me, interestingly, if there were other grants given to CanGro at the time. You would think, too, you would know that as part of your background research before you made these public assertions.

The answer is no. In fact, we contacted Len Troup, whom I'm sure you would know and could have easily contacted with a phone call, to ask about the background of this. Mr. Troup actually speaks highly favourably about this grant, which helped to create a new line of products at CanGro, then known as Kraft Foods. In fact, there was a great deal of—

Hon. Sandra Papatello: If you wouldn't mind, could you just tell me if we have access, then—in the deal that you would've struck with CanGro, can we now go get that machinery back? Does the government of Ontario own it now? Were there any stipulations as to how long they would be compelled to keep jobs in Ontario? Perhaps you could tell us what the footprint of that kind of investment was. Just to know what your thinking was at the time would actually be very helpful to us today.

Mr. Tim Hudak: It's interesting, Chair. I guess a good defence is a good offence.

Absolutely, if you speak with Mr. Troup, if you took the time to speak to your own ministry staff and your colleague's ministry, you would find out that it was quite a detailed proposal, and that funds would not flow until milestones were hit. It did help to create a new product line of plastic fruit cups that were launched in the marketplace. Kraft Foods, now CanGro, made good on every commitment they needed to receive. In fact they invested, in partnership with the tender fruit operators, between \$4 and \$5 million towards this project.

I ask the minister again, why would you make this assertion in the Legislature, and repeatedly in the press, if it wasn't true?

Hon. Sandra Papatello: Well, maybe you can confirm for me, then, if the government of Ontario has any recourse, as you might recall as a local minister—

Mr. Tim Hudak: Chair, I'd just ask the minister to answer my question. It's a very direct question.

Hon. Sandra Papatello: I think you have to give me an opportunity to respond here, because I—

Mr. Tim Hudak: I'm asking for an answer to my question, Minister.

Hon. Sandra Papatello: —have to tell you that I'm a little surprised that, as a minister of the crown at the time in Niagara, recognizing how important the canning industry is to the Niagara region, I would have anticipated that there would have been some conversation at the time that said that if we're going to hand over almost \$1 million, there may be some recourse if a company then walks from the province of Ontario. It's very difficult. This member, in particular, has written to the Chair—

Mr. Tim Hudak: Chair, it is my time.

The Chair (Mr. Garfield Dunlop): Okay. I think the committee would like to know how much money was transferred. Was it \$3 million or \$800,000?

Mr. Tim Hudak: No, the minister was mistaken—

Hon. Sandra Papatello: I appreciate the Chair taking up my cause, because I too would like to know that information.

Mr. Tim Hudak: As I read from the press release and the actual description of the grant, it was, as I indicated, \$794,250.

I'll just ask the minister one last time—and obviously she doesn't want to answer this question because I know it's embarrassing for her: Why would you say that the province gave a grant of \$4 million when it wasn't in fact true?

Hon. Sandra Papatello: What I'm really excited about is that this ex-minister is so worried about his record on this file that he recognizes today that to talk about—they talk about Ontario taxpayers' money being given to the private sector with some kinds of strings attached.

Mr. Tim Hudak: Again, Chair, I'm not going to have an answer from the minister, obviously, so I'll move on to some other questions, if I could.

The Chair (Mr. Garfield Dunlop): We'll start another question, then, Minister, if you're not willing to answer that one.

Mr. Tim Hudak: I think if the minister had bothered speaking to her colleague Ms. Dombrowsky, or if she had bothered talking to the tender fruit growers, she would've found that the tender fruit growers were strong advocates of this grant, which helped to start a new plastic cup. I suspect some of your assistant deputy ministers are well aware of that grant, Minister. Unfortunately you chose, for political reasons, to say things in the House and to the press that did not meet with the facts.

Hon. Sandra Papatello: I object, Chair, to that statement, because I am still waiting to hear the strings attached to that money.

The Chair (Mr. Garfield Dunlop): Can you start the next question now?

Mr. Tim Hudak: During question period on April 22, when you said, "When we were at the table"—this in reference to the CanGro situation—"making the offers that we have made," specifically, what offers did you make?

Hon. Sandra Papatello: That is not information that I will share here at committee. When the government of Ontario, through the Ministry of Economic Development and Trade, is at the table with the private sector, we would not speak publicly about items that the partners themselves will not make public. If the partners who are there are speaking publicly, then we're in a position to reiterate what others may have said. But it's never been our practice or policy, nor would it be or should it be, that we would then speak about what might be available.

I can tell this member that these individuals would become well aware of the rural economic development program—as he knows, there's such a history with this particular program and that company—that there would be funding available through that mechanism. So with certainty, CanGro would have been well aware of the rural economic development program.

Mr. Tim Hudak: But again, the minister is not answering my question directly, so I'll ask it in a different way. Can you confirm that the ministry did make offers of a financial nature to CanGro or any of the proponents?

Hon. Sandra Pupatello: There isn't a conversation that I would repeat at the estimates table related to a conversation that we would have with the private sector.

Mr. Tim Hudak: But it's curious, Minister, because on April 22, you said quite the opposite. Today you're saying that you can't confirm or deny if you made offers or not, but in the House, on April 22, you said, "When we were at the table, making the offers that we have made...." So you've already, in the Legislature, said that you've made offers. Today you're telling me you can't tell me if that's true or not.

1730

Hon. Sandra Pupatello: I will confirm for this committee that it is the business of economic development and trade to reach out to companies that we hear, through whatever source, may be considering layoffs or closure. We would reach out even in advance of that kind of information to offer to work with these companies so that they would maintain their footprint in Ontario. There are members of this committee who know that they have had experiences with other companies where we've reached out. We have always offered to work with these companies to maintain their footprint in Ontario. Often what format that takes depends on the sector—

Mr. Tim Hudak: The minister, Chair, is weaving a rather tangled web of rhetoric. In some circumstances she says they made offers and in other circumstances she says she can't confirm or deny if any offers whatsoever were made.

I did contact two proponents, as a matter of fact, who were interested in purchasing and operating CanGro, and they said that the Ministry of Economic Development and Trade did not make any offers of any kind of a financial nature.

Hon. Sandra Pupatello: Well, that isn't true. What is really required here is a seller. What Mr. Hudak doesn't want to admit is that in this instance it was very difficult to have a seller and a buyer having a conversation, with a third party, the provincial government, acting as some kind of facilitator. The government of Ontario is not in the business of canning. The former government also wasn't in the business of canning. So the role the government has in this instance is to say, "How can we come in as a helpmate with people who might be interested in buying a process and those who are interested in selling a process?" There were two criteria that were really critical to this conversation, and I think it's important because I'll bet that this individual and this member from Niagara, when he was the minister, had to face these same challenges: Would we have growers—

Mr. Tim Hudak: Let me pursue what the minister's response was. The minister has given me two answers whether there were offers made. In one circumstance she says yes and in the other circumstance she says no. She says you need a willing seller at the same time, and the

minister is actually consistent. She said in the Ontario Legislature on April 29, in response to one of my questions, "We actually need CanGro to participate in that kind of a deal." So the minister is basically saying that CanGro is not a willing seller.

Lord Mayor Gary Burroughs has a different approach. In fact on CKTB radio the story read:

"Burroughs is baffled by statements this week by Ontario's minister of development and trade that CanGro officials pushed away from the bargaining table.

"Burroughs says claims by Sandra Pupatello that CanGro didn't want to be saved just aren't true."

So this is the Lord Mayor of Niagara-on-the-Lake, who worked very hard to save this community. He says what you're saying does not meet with the facts. Why does Mayor Burroughs believe one thing and you say the opposite?

Hon. Sandra Pupatello: Let me say very clearly that Lord Mayor Burroughs is wrong. Lord Mayor Burroughs and I have had had several conversations related to CanGro, and we will continue to have more conversations in the future. I also believe that Lord Mayor Burroughs is well aware of all of the circumstances that would be required for any buyer to come forward in this region and make a go of a potential purchase through CanGro.

Lord Mayor Burroughs I found to be exceptionally well briefed on the sector, understood all of the dynamics there—understood, for example, the irony of programs that are available for farmers to pull the very trees that produce the peaches that need to be canned at the same time as trying to sort out whether whoever would buy CanGro would find peaches to actually can. That is one of the criteria that I tried to finish in my last answer that is a very important part of this conversation, and to this day—

Mr. Tim Hudak: Let me summarize, if I can. I appreciate and thank the minister for the answer.

To summarize, the minister says there was a \$4-million grant that had no strings attached. That has proven not to be meeting with the facts. The minister said that CanGro was not a willing seller; Lord Mayor Gary Burroughs differs. In fact when we contacted both proponents, they said that CanGro was very much a willing seller. So we have Mayor Burroughs and we have the proponents who have an entirely different viewpoint. The minister said at one point in time that they had made offers, but now she refuses to say if any offers were made, and what I understand from the proponents is that no financial offers were made by the ministry.

So we have what seem to be three big ones, so to speak, by the minister that upon inspection don't meet with the facts, which is troublesome. I know that now a lot of water has run under the bridge, sadly, when it comes to CanGro. It is now closing in June. We've seen the very unfortunate sight of trees being uprooted, and pear farmers and peach farmers now without a market.

I guess what I'd ask the minister is, given that she failed to act to save CanGro and has used a bit of a cover story to make up for it, is she now willing at least to

make amends? Will the minister make investments to help our tender fruit growers transition to new markets, through her ministry?

Hon. Sandra Pupatello: Let's be clear—and I appreciate this question—that the member offering these statements is wrong also. What I have failed to hear yet is a single statement from CanGro, which is quite interesting, because actually what you'd need to make a deal is the seller. Again, whether it's through Lord Mayor Burroughs, whether it's through the growers, whether it's through the potential purchasers, we have yet to hear from CanGro. That's the unfortunate part of this entire picture, that in fact we want to have a vibrant community in Niagara and much of that is, what can we do with tender fruit growers? It's important for us to say that not only have we been at the table, we are at the table. You need to have—

Mr. Tim Hudak: Chair, I've asked a very simple question.

Hon. Sandra Pupatello: —all of the partners at the table.

Mr. Tim Hudak: I've asked a very simple question. In light of the water under the bridge—

Hon. Sandra Pupatello: I would appreciate the opportunity to finish.

Mr. Tim Hudak: I think the minister may have forgotten what my question was.

Hon. Sandra Pupatello: The member has actually put a series of pieces of information on the table—

Mr. Tim Hudak: My question was, is the ministry now willing to assist the tender fruit growers?

Hon. Sandra Pupatello: —that simply aren't true.

The Vice-Chair (Mr. Garfield Dunlop): Okay—

Hon. Sandra Pupatello: Chair, I'm prepared to finish talking over the member, but I have to finish the question.

The Vice-Chair (Mr. Garfield Dunlop): Let her finish this one—

Mr. Tim Hudak: If she will answer my question, Chair.

The Vice-Chair (Mr. Garfield Dunlop): Okay.

Hon. Sandra Pupatello: Chair, I do have opportunity to respond to the question?

The Vice-Chair (Mr. Garfield Dunlop): Okay, can there be one quick response then? Okay. Go ahead. You've got three minutes left.

Hon. Sandra Pupatello: In fact, if you're going to have a deal that's going to happen, you need to have a seller at the table. CanGro has yet to make statements. If this particular member, because he was so fortunate to have given the same company money a few years back—

Mr. Tim Hudak: Again, Chair, I think she's getting away from my question, which was about the tender fruit growers.

Hon. Sandra Pupatello: —with no strings attached—if he has an opportunity to get CanGro on the record on this, I think that's great. He should be working hard for his local community, and I expect him to do so.

The Vice-Chair (Mr. Garfield Dunlop): Do you have an answer on assistance for the tender fruit growers?

Hon. Sandra Pupatello: I will tell you that whether it's working with Lord Mayor Burroughs with the kinds of assistance that they need, I think that Mr. Hudak will also recall that just last week we were in the Niagara region specifically making a \$1.1-million announcement. Some of that funding is specifically to assist the local community through the economic development commission of Niagara to source how they will bring their own local fruit market and products to their own communities for sale.

I would hope that that is a very, very good example of how willing we are to work with local communities that are in transition and using funds like the communities in transition fund to help the very people in Niagara that this member should be supporting.

The Vice-Chair (Mr. Garfield Dunlop): Can we have a quick question and a quick—

Mr. Tim Hudak: Sure. The minister didn't really answer my question about assistance for transition for the fruit farmers themselves. Let me point out, on page 49 of the estimates, the industry and cluster operating funds designates \$125 million to the Next Generation of Jobs Fund, its regional and local economy transformation strategy is at \$2 million in this fiscal year and strategic manufacturing investment is \$40.8 million. That's a significant amount of money that could've been dedicated to saving CanGro. It wasn't used. Will the minister, at the very least, look to those funds, or if she names another fund, to help the tender fruit farmers, who now are without a market, to transition into better markets?

The Vice-Chair (Mr. Garfield Dunlop): A quick answer and then over to the NDP.

Hon. Sandra Pupatello: By that very question, I would hope that the local MPP that benefits so greatly from the communities in transition funding that has been announced just last week in Niagara—and if I may say, four or five mayors from the community were actually present for the announcement and were very glowing in terms of what they see as tremendous support from the Ontario government for the Niagara region, not just through the Ministry of Economic Development and Trade, but across several ministries. In fact, the Ministry of Agriculture is working very closely with tender fruit growers to talk about what they can do to transition and, in some instances, what they can do to stay in the business.

I think it's important to acknowledge that we continue to work with the Niagara region. We will continue to do so. I hope that when it comes time for budget votes, for example, this very member will in fact vote for the budget that is tabled in the House.

The Vice-Chair (Mr. Garfield Dunlop): Over to the third party.

Mr. Paul Miller: I really enjoyed that dialogue between the two speakers. One point that really stuck out in my mind is when the minister mentioned qualifiers and

figures around the investments in CanGro. I can't get anything about the Big Three deal because it's privy information, not for the public. I find that amazing.

I have one quick question on GreenLink. My understanding is that GreenLink would create quite a few more construction jobs than your parkway proposal. Is that true?

Minister, are you with me or are you sidelined?

Hon. Sandra Pupatello: Chair, will you take the same position in terms of questions that are outside of the Ministry of Economic Development and Trade?

1740

Mr. Paul Miller: It's not outside. It's about job creation.

The Chair (Mr. Tim Hudak): Yes, and I'd expect the minister to address it from the standpoint of the Ministry of Economic Development and Trade. If she doesn't know the details because it's another ministry, I can appreciate that.

Mr. Paul Miller: With all due respect, Mr. Chairman, the minister spoke about trades and jobs and more jobs for this project. I'm simply asking the minister if the GreenLink proposal would create quite a few more construction jobs than the parkway proposal? That's a pretty direct question: yes or no?

Hon. Sandra Pupatello: I think the best answer for this is in fact that the Heavy Construction Association of Windsor has come out fully behind the project as it has been tabled by the DRIC committee. That was pretty dramatic, because in fact they've not been active in that way in such a public fashion. There were a number of—

Mr. Paul Miller: Is that a yes or a no?

Hon. Sandra Pupatello: The fact is that what has been tabled by the DRIC committee will create literally thousands of jobs.

Mr. Paul Miller: Thousands more, Minister, you're saying?

Hon. Sandra Pupatello: The DRIC proposal that was tabled will be creating thousands of jobs for the Windsor area, not just in construction, but obviously in professional services that are related to that, as well as all of the spin-off jobs—

Mr. Paul Miller: So I can take that as a "yes." Thanks.

The next question I'd like to ask is about two programs that I don't really have much information about, which isn't a surprise. Number one is the large-scale strategic investment fund and, two, the strategic manufacturing investment fund. I haven't got much detail on that. Maybe you could help me out.

Hon. Sandra Pupatello: The government of Ontario, through EDT, has a number of programs available to it, all of them meant to be able to tailor, depending on the sector we're dealing with. So if you look through the budget items of EDT, you will see in a number of areas different programs like those we've mentioned already—the communities in transition program, the Next Generation of Jobs Fund—and each one of those programs has

various criteria affiliated with us being able to partner with industry.

A couple of really good examples in terms of partnership related to the Hamilton area might be the pulverizer project with Dofasco, where, through the AMIS program, the company is still compelled to meet the criteria available, with the project in mind, to be creative, innovative, energy saving etc. That's exactly what Dofasco had to meet when they made their application. They were then—

Mr. Paul Miller: Mr. Chair, I'm not getting the answer to the question I asked. I asked about two specific funds, and the minister's giving me all kinds of other things. I'll repeat: large-scale strategic investment fund and the strategic manufacturing investment fund.

The Chair (Mr. Tim Hudak): You'd like some details on what the targets of those funds would be?

Mr. Paul Miller: Yes, Mr. Chair. I'm not privy to any information, unless I have to go to StatsCan for that too.

Hon. Sandra Pupatello: I can give you the criteria for all the programs across EDT because it helps us get information out to the public for the kind of support that is—

Mr. Paul Miller: So you'd be willing to share that information with me?

Hon. Sandra Pupatello: Absolutely.

Mr. Paul Miller: Thank you, Minister.

Hon. Sandra Pupatello: The strategic skills program that he asks about is directly related to training. It's a program that is winding down because it's been picked up by new programming coming into the ministry. But historically, it's always been tied to training support for companies. For example, ones that would benefit in his own area, again in the automotive sector, where companies have been supported through the government in training initiatives, would have support through that fund.

Mr. Paul Miller: Thanks, Minister, but I don't have any automotive in my area. It's steel.

Hon. Sandra Pupatello: Actually, your steel companies, though—

Mr. Paul Miller: I have a small parts plant on Arvin Avenue in Stoney Creek.

Hon. Sandra Pupatello: But you need to understand, as a local member—

Mr. Paul Miller: We're talking steel. I understand my area. There's not a lot of auto in my area. You might want to go to Oakville for that.

Hon. Sandra Pupatello: You need to understand that your steel companies—

Mr. Paul Miller: Moving on, Mr. Chairman, my next question—

Hon. Sandra Pupatello: Chair, just for the record—

Mr. Paul Miller: The strategic manufacturing—

Hon. Sandra Pupatello: I'll get it in my next answer, then.

Mr. Paul Miller: The strategic manufacturing investment fund spent \$54 million last year and has about \$41 million budgeted for this year. Is this fund promoted publicly? If not, why not?

Hon. Sandra Pupatello: Thank you, and just to answer the last question, I have to say that the steel companies in Hamilton are direct beneficiaries of the benefits that are seen in the automotive sector. For example, both Stelco, now under new ownership, as well as Dofasco, now under new ownership, are directly tied to the support and benefits and success of the automotive sector because they deliver steel to the automotive sector, and that's why this particular member from Hamilton needs to be very clear how important the auto sector is to his Hamilton—

Mr. Paul Miller: Mr. Chairman, I'm surprised that the minister would say that. With my 30-odd years of service in the steel sector—

Hon. Sandra Pupatello: You should know.

Mr. Paul Miller: —I'm well aware of who owns the companies and what's made there.

Hon. Sandra Pupatello: And where they go.

Mr. Paul Miller: I don't think the minister knows the percentages, but anyway—

The Chair (Mr. Tim Hudak): Let's come back to order. Order.

Mr. Paul Miller: Moving on to my next question, now that she's answered the last question—

Hon. Sandra Pupatello: And where does steel go?

Mr. Paul Miller: —that she wasn't supposed to: The strategic manufacturing investment fund spent \$54 million last year and has about \$41 million budgeted for this year. Is this fund promoted publicly? If not, why not?

Hon. Sandra Pupatello: Again, I have to say that because this member actually worked in the steel sector, I would assume that he knows where the steel goes—

Mr. Paul Miller: Mr. Chairman, what's my work career got to do—

Hon. Sandra Pupatello: I have an opportunity to put items on the record as well—

Mr. Paul Miller: Can we stick to the—

Hon. Sandra Pupatello: —and to correct the record in many cases.

The Chair (Mr. Tim Hudak): Let's call you both to order. Let's try to maintain some decorum in the committee. I don't think we need to be personal—

Hon. Sandra Pupatello: Not at all, I have to tell you—

The Chair (Mr. Tim Hudak): —and I would ask—

Hon. Sandra Pupatello: Great Hamilton steel companies build great steel for great cars.

The Chair (Mr. Tim Hudak): I would ask the minister, because there are a lot of programs in your ministry, the member is asking some very specific questions about specific programs—

Hon. Sandra Pupatello: Thank you, and you know what? Because I know he wants to get more questions on the record, I'd be happy to supply him with that information.

Mr. Paul Miller: Thanks. We don't build the cars, Minister, we provide the steel—

Hon. Sandra Pupatello: You send steel for the cars.

Mr. Paul Miller: You said we make great cars.

Hon. Sandra Pupatello: Great steel for great cars—

Mr. Paul Miller: National Steel Car makes railway cars.

Hon. Sandra Pupatello: Chair, it's important to know—

The Chair (Mr. Tim Hudak): Let's move on.

Mr. Paul Miller: She's confused. I'll be glad to give the minister a tour of Hamilton if she'd like.

Moving on, I still haven't got my answer on the second question. Would you like me to ask it for the third time?

Hon. Sandra Pupatello: I did say, though, that I will send information on the program, sir.

Mr. Paul Miller: Third time. Would you answer this time, Minister?

Hon. Sandra Pupatello: I'll send all the information to you.

Mr. Paul Miller: I'll repeat it again for you. The strategic manufacturing investment fund spent \$54 million last year and has about \$41 million budgeted for it this year. Is this fund promoted publicly? If not, why not?

Hon. Sandra Pupatello: Once again, I have to tell this member that great steel companies in Hamilton make great steel for cars in Ontario.

Mr. Paul Miller: She's not answering.

Hon. Sandra Pupatello: As to the specific program—

Mr. Paul Miller: She's not answering.

Hon. Sandra Pupatello: You have to give me an opportunity to answer the question now, right?

Mr. Paul Miller: Well, I know that we make great steel. I don't need that.

Hon. Sandra Pupatello: Dofasco sends steel to Toyota. It's really obvious—

The Chair (Mr. Tim Hudak): Minister, he's asked a specific question about this particular funding envelope.

Hon. Sandra Pupatello: Chair, I'm happy to provide him information about all the programs. In this particular case, the kinds of program that we have available to provide support to our industry sectors are really important, and that's one of them. We have others as well, and you can see on that page the number of programs we have to give direct assistance based on various criteria, depending on what sector we're speaking to. In particular, that line is about infrastructure related to the automotive sector—

Mr. Paul Miller: Oh, that's a secret. I forgot.

Hon. Sandra Pupatello: It's important, and I hope that this member understands that that is important.

Mr. Paul Miller: That's top secret.

Mr. Chair, is the fund promoted publicly? If not, why not, for the fourth and final time?

Hon. Sandra Pupatello: Well, I have to tell you that most of the things we do are in fact very public, and because these tables are—we actually sit at estimates committee. All of this information based on our ministry's budget is very public.

Mr. Michael A. Brown: On a point of order, Mr. Chair: This is a technical one that's come up because of

the sitting times change. The House has risen. Are we able to be sitting now?

Interjection.

The Chair (Mr. Tim Hudak): Yes, we have looked into this, and I appreciate the clerk—We actually do sit to 6. The new rules take some getting used to, but the committee does sit until 6 p.m.

Mr. Miller is a member of the committee. The minister does have a deputy minister and two assistant deputy ministers here. This is a pretty basic question—

Hon. Sandra Pupatello: Sorry, what was the answer to the question?

The Chair (Mr. Tim Hudak): Six o'clock.

Perhaps through you, Deputy, some basics for the member on this particular fund, or to one of your ADMs—can you respond to Mr. Miller?

Hon. Sandra Pupatello: We'll be happy to send you information.

Mr. Fareed Amin: Yes, we'll get that information to the member.

Mr. Paul Miller: Thank you, Mr. Chair. Next question. I didn't get really whether it was promoted publicly or not. I still didn't get an answer.

How does a company apply for this fund?

Hon. Sandra Pupatello: Actually, through more than just this ministry, through the OMAFRA ministry with offices across Ontario, I believe that the Ministry of Small Business has some 40 offices across the province in various parts, in every region of Ontario. The Ministry of Economic Development and Trade also has staff on the ground who work with our colleague ministries. We work with economic development commissions, for example, and virtually every regional government or local municipality and their officers, sometimes their whole commission; sometimes it's just officers. We have economic development commissions who are all frequented with everything that's available through the Ontario government, and we have our own offices of our sister ministries with officers on the ground, who are always in contact with the local business.

In this particular time, where we know there are some sectors that have greater challenges than others, we are doing very special outreach to those sectors. Manufacturing is a good example of that, where we're reaching out and offering, for example, items that are available through the Ministry of Energy. We'll say to them, "Look, are you aware—here are all the offerings where we can be of assistance to help you conserve energy and save money," especially in this trying time when their sector is so challenged. So in innumerable ways we have outreach that fans across virtually all of the sectors in Ontario.

We want to be very proactive with our companies. We want them to be aware of what we do. We encourage people to come on to the economic development and trade website. If you come to ontariocanada.com, you can walk through all the programs that we have as well.

Mr. Paul Miller: Can I move on? It's my 20 minutes. She's used up quite a bit.

The Chair (Mr. Tim Hudak): The member's satisfied with the answer?

Mr. Paul Miller: Yes, about 10 minutes ago.

Could you name the companies, or get a list of the companies, that were funded under the program in FY 2007-08 and how much they received? Or am I not privy—

Hon. Sandra Pupatello: Sorry, what program?

Mr. Paul Miller: FY 2007-08.

The Chair (Mr. Tim Hudak): Mr. Miller, which program again?

Mr. Paul Miller: FY. That's all I've got in front of me, I'm sorry: FY.

The Chair (Mr. Tim Hudak): So for the fiscal year 2007-08. Is this about the advanced manufacturing investment strategy?

Mr. Paul Miller: Yes.

Hon. Sandra Pupatello: The AMIS program?

Mr. Paul Miller: Yes, that's right: 2007-08. Could I get a list of the companies that received funding?

Hon. Sandra Pupatello: Sure.

Mr. Paul Miller: Okay. Is there any secrecy around this fund or is it totally public?

Hon. Sandra Pupatello: Actually, we'll collect if for you, but if you were to go to the website at ontariocanada.com and go through and follow along, you'll get to the advanced manufacturing investment strategy. You'll be able to pull up all of the press releases from the ministry that identify everything that's been announced. That would identify for you all of the projects that have come out of the AMIS program.

Mr. Paul Miller: Would that include pending funding?

Hon. Sandra Pupatello: No.

Mr. Paul Miller: It wouldn't.

The Chair (Mr. Tim Hudak): I will say, though, that I would expect that the ministry would get that information to Mr. Miller. It's a very simple question.

Hon. Sandra Pupatello: We can do that, sure.

Mr. Paul Miller: Thank you. That's it for me.

The Chair (Mr. Tim Hudak): That's it for the time, Mr. Miller?

Mr. Paul Miller: Yes.

The Chair (Mr. Tim Hudak): Okay. We still have a 20-minute rotation for the government, but what I'd like to do, Mr. Rinaldi, if you're okay with this, is to book that in 20-minute blocks. So as opposed to having you guys do seven or eight minutes, we'll defer the full 20 minutes to the next day.

Mr. Lou Rinaldi: Absolutely.

The Chair (Mr. Tim Hudak): Thank you very much.

To Mr. Brown's point: We have the new rules, and we do meet until 6 o'clock. We will be reconvening on Tuesday morning at 9 a.m., and we will conduct estimates until 10:45.

Hon. Sandra Pupatello: With me?

The Chair (Mr. Tim Hudak): Yes.

Hon. Sandra Pupatello: Is that on my schedule?

The Chair (Mr. Tim Hudak): Yes, it is on your schedule—from 9 until 10:45.

Then we go back to the House for question period and such, and then we reconvene when the daily proceedings begin. Today we did that at 4:30. As folks know, the daily proceedings float a little bit. It seems like in the first week of the new rules they tend to start at 4 p.m. So you will receive notice that this committee will begin at 4 p.m. on Tuesday afternoon and go until 6 p.m.

Mr. Lou Rinaldi: Same with Wednesday, then?

The Chair (Mr. Tim Hudak): Yes, Mr. Rinaldi. You're exactly right: same as Wednesday, 4 till 6. We don't meet Wednesday mornings, of course, from 4 till 6.

We should be able to conclude the estimates for economic development and trade on Tuesday afternoon at 6 p.m. if all goes as planned, and then we'll move on to aboriginal affairs on Wednesday.

To the minister, deputy and staff, thank you very much. Members, thank you very much. We'll see everybody Tuesday. We are now adjourned.

The committee adjourned at 1752.

CONTENTS

Wednesday 7 May 2008

Ministry of Economic Development and Trade	E-27
Hon. Sandra Pupatello, minister	
Mr. Fareed Amin, deputy minister	

STANDING COMMITTEE ON ESTIMATES

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Mardi 13 mai 2008

Standing Committee on Estimates

Ministry of Economic
Development and Trade

Comité permanent des budgets des dépenses

Ministère du Développement
économique et du Commerce

Chair: Tim Hudak
Clerk: Sylwia Przedziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 13 May 2008

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*The committee met at 0906 in room 151.*MINISTRY OF ECONOMIC
DEVELOPMENT AND TRADE

The Vice-Chair (Mr. Garfield Dunlop): We welcome everyone this morning—the minister and all the staff from the ministry. We're here to resume consideration of the estimates of the Ministry of Economic Development and Trade. There's a total of three hours and 37 minutes remaining. When the committee was adjourned, the third party had completed its 20-minute rotation. It is now up to the government for your next 20 minutes.

If I could ask everyone this morning—particularly when the minister's dealing with the two opposition members, we tend sometimes to get into a little bit of conflict back and forth. If we could have short questions and short answers maybe and not interfere with each other, that would be fine. I'm trying to bring a little bit more order to the meeting than we've had in the past. It's not just this ministry; it's over the years. I'm trying to be a little more polite about it.

To the government, then.

Mr. Lou Rinaldi: Thank you for your guidance on how we should react for the remaining three or so hours. That's a good point you make. Also, I'll ask your indulgence to stay on track with a question to the ministry related to the minister's agenda.

Once again, Minister, we hear that our government seems to be putting a lot of focus exclusively on the automotive sector. We know that the automotive sector is one of our bigger industries in the province. It's the largest sector in North America that we have here, and it's appropriate that we support it. But I wonder if you can shed some light on other programs and other initiatives beyond the automotive sector where we're making some headway and that we're certainly supporting.

Hon. Sandra Pupatello: I appreciate this opportunity because so many of us have watched—I know, Lou, in your own riding, that the auto sector's success is key to the region you come from because our auto parts supply chain goes right up the 401 corridor and is a significant employer right across your region as well.

I think it's important to note that we've got to look at where we've come from. We spent a tremendous amount of time in 2002 working with our auto partners even

when we were in opposition and, at that time, we already started to see the rise of the dollar.

What we were facing in 2002, in fact, was a government that would refuse to acknowledge the importance of the auto sector. At that time, the Minister of Economic Development and Trade—I think it was called OEO or EOI; it was a weird name, but it was the industry ministry, in any event—Minister Jim Flaherty at the time, interestingly enough, refused to say that the auto sector needed to have its own language in a fund. What they had come out with in the dying days of their government was a fund that was industry-based but not auto-specific. The difficulty at that time was that, given the broad breadth of criteria, it was very difficult for any sector. We'd asked, "How do people actually get access to this to help with their investments in Ontario?" In fact, it was so late in the term when this came out that there was actually never an application that came before it. Then, of course, we went into the election, and the government lost.

When we were in opposition, we developed, in cooperation with the auto sector, whom we worked very closely with, the automotive investment strategy. What we knew at that time, and this was still back in 2002, was that the way of the world was changing dramatically in the automotive sector where multinationals, who have a footprint on virtually every continent, were deciding where and on what continent they would be landing their products. We knew that it was very product-specific in terms of what we would be able to chase and land in our assemblies, or in fact in our parts suppliers. Some of the OEMs, the assemblers, have their own transmission division etc., so we knew it was critical to be able to be at the table when they were making decisions about where they would land these products.

We were very fortunate in 2003, number one, to win the election, and then by 2004 to actually come forward with the automotive investment strategy. That gave us an opportunity, and a fund with criteria that were then developed, to offer these companies an incentive to come to Ontario. At that time, the southern states were already in the game in a very dramatic fashion where new facilities were being built in the southeastern region, and we knew that they were in direct competition with us. What we were able to do between 2004 and 2007 was land \$7.5 billion of total investment by the automotive sector with five key automotive partners—Ford, GM, Chrysler, Toy-

ota and Honda—where that investment would simply have gone to other jurisdictions.

When we look at what is still happening in the world market with the automotive sector, what we know is that if we hadn't had those significant investments coming in in these last couple of years, we would be in a very dramatic and a very different place right now with our automotive sector. We also recognize that our traditional Big Three—Ford, GM and Chrysler—are feeling the competitive edge of other automotive manufacturers, and their market shares are changing. That means that while they can't predict what their sales will be, it absolutely changes their production numbers. That has a dramatic impact. Any jurisdiction that would have such a huge majority of that sector in one region is going to feel the pain much more so than other jurisdictions would feel it.

We also have the luxury that we've had over decades to have developed a huge automotive cluster around the assemblers. That means that our supply chain, 450 companies strong, goes right up the 401 corridor, right through eastern Ontario, all developed around our assemblers. We have 14 assembly plants across Ontario. No other jurisdiction can boast this. And our auto parts suppliers: No one can boast the kind of diversity we have among our automotive parts either, and that's because we've had such success with our assembly level.

In addition to that, we have major clusters around tool, die and mould. In fact, we are so advanced and have such expertise in the tool, die and mould sector, there's no jurisdiction that can boast the level of expertise that Ontario maintains in the tool, die and mould sector. Because 60% of the tool, die and mould sector feeds the automotive industry, if the automotive industry market shares are changing, then automatically, Ontario will feel the pressure in the tool, die and mould sector as well as the parts supply sector, all related to the automotive sector, when the lion's share has traditionally been the American Big Three.

The good news is that many of our companies are now seeing what they need to do to expand their customer base. Yesterday, in Windsor, we were able to make an announcement that actually brings together the aerospace council with our tool, die and mould sector. The expertise that exists with our tool, die and mould sector, most of which has never serviced the aerospace sector—but what we've learned as a government is that the aerospace sector is growing around the world, and they are looking for much of the same that the auto sector looked for in the last several years: better fuel efficiency, lighter-weight materials, new materials. All of the expertise gained by our tool, die and mould sector, that high level of technology, can now be applied to the aerospace sector. With a little bit of help, which is what we're able to provide to make those key links, we can actually marry those two sectors, having people meet people that they've never engaged with before. That was part of yesterday's announcement.

On Friday, we were able to announce that we're going to actually assist the tool, die and mould sector in or-

ganizing a reverse trade mission here in Ontario, by reaching out around the world and bringing significant players of a multitude of sectors. So if you go on the plant floor in many of our successful businesses today—in the auto parts supplier sector, for example—you'll see part of their square footage dedicated to the automotive parts that they're making. Then they'll have another division that's dedicated to the mining sector, which they've now reached out to and are successful in landing contracts, because they carry that same expertise that can be applied to other sectors. Likewise, they'll have some portion of their floor space dedicated to the aerospace sector. So now we're able to say that we've got great companies who do great work, and all that expertise can be doing more than just servicing the automotive sector. This really is the way for us to still dedicate ourselves to a tremendous industry that we have in Ontario in manufacturing, in automotive, and also to extend that expertise to new sectors that we know are booming.

We know that the oil sands are providing a multitude of opportunities for our companies. We've opened our engagement with Alberta on a regular basis. We are now in our second years of actually having staff on the ground, in Alberta, to help do that kind of matching. From last year's show, when we brought over 120 companies with us to Alberta to meet those oil and gas partners, we've now landed 60 contracts that we're aware of for Ontario manufacturers, for manufacturing to be done right here in Ontario, with product shipped to its destination in Alberta.

Likewise, we anticipate that we're going to have more success with aerospace, that in fact companies around the globe will be looking. All of the capacity is full in terms of the order sheets for what they're currently producing for aerospace partners. So companies who heretofore have not serviced the aerospace sector will have room, with contract opportunity to be had in the aerospace sector.

While we recognize what the challenge is, the government needs to be clever about where it inserts itself. How does it intervene to actually be helpful? Major tax policy across the board: The last budget was a tremendous example of how we can use tax policy to get cash back, right in the hands of the employers that need it right away. In fact, the last economic statement in the fall gave them that capital tax elimination. This last budget in March actually made that retroactive to January 1, 2007. So these companies, those that struggle the most, which have taken the time to make that investment, are actually going to get cash back, just when they need it the most.

With tax policy that's been very beneficial, companies the size of GM, who would have saved somewhere in the neighbourhood of \$10 million just from last fall's economic update, now can see that we have, in comparison to our competitive jurisdictions, the best corporate tax policy going in the automotive sector, in manufacturing. Those benefits of tax policy are extended to the resource sector as well, which also benefits so much of our supply chain in mining, much of which exists here in Ontario.

Mr. Lou Rinaldi: Thank you. What's our time like?

The Chair (Mr. Garfield Dunlop): You've got 10 minutes left. Do you have a second question?

Interjection.

The Vice-Chair (Mr. Garfield Dunlop): Go ahead, Madam Mangat.

Mrs. Amrit Mangat: Minister, does your ministry currently support any program in Mississauga?

Hon. Sandra Papatello: There are a number, actually. I had an opportunity to be in your region on the plant floor of an aerospace supplier that's doing some very incredible things. When we step back, I think we realize just how much innovation is happening here in Ontario. These folks were working on composite materials. They had initially been building parts that go inside an aircraft. Now, because they had done so well, they were charged with doing work to develop composite materials that would be used on the landing gear pieces. Thirty per cent of the world's landing gear is supplied by Ontario companies—a staggering figure. If you travel up the highway and get to Stratford, you see FAG Aerospace, for example. From Stratford, the precision required in the creation of the ball bearing is used in every jet engine that flies around the world.

0920

These are some very compelling pieces of data that should make us really appreciate what we have in manufacturing here in Ontario. Not only do we have the clusters, the size of which is very difficult for any other jurisdiction to compete with, which gives us that really big bulk of skill available in our workforce for that sector, but what we do we do so well that we end up servicing the globe based on that, whether it's ball bearings from Stratford out of FAG Aerospace or whether it's the shop we were in in your neck of the woods around Mississauga, doing terrific research and development on composite materials that will dramatically alter the weight of landing gear.

I know many of us have been reading the newspaper lately to read about the surcharges for fuel affiliated with the airlines. These kinds of changes and how they actually make the airplane will dramatically influence how much better and more fuel-efficient these airplanes will be. That's happening right in your hometown, right in your backyard. These are the kinds of stories that we need to tell the world about, that they will be supplying the world when they develop these new products.

Mrs. Amrit Mangat: How about the ridings of other committee members?

Hon. Sandra Papatello: There's a significant amount of investment that's happened in all of our ridings, frankly. One of the best examples might be Roxul in Halton. Roxul, which has been there for many years, decided to develop a new type of insulation, and in keeping with the climate change agenda, they're using recycling material to actually develop the insulation. So now, to support the housing market and the building supply sector, they are not only supplying an insulation that is far more efficient and keeping the temp. reasonable in the household, they're also using aggregate materials and other recyc-

lables from construction-sector-type materials to actually build their product, so that on all fronts they're making a better product and it's better for the environment—a significant investment there made by Roxul, and employing people.

I think that's important that when we talk and engage with these partners, we look to them for employment, we look to them for retention in the world of competition that changes for them every day. Those are the kinds of conversations that we have.

Mrs. Amrit Mangat: Thank you.

Interjection.

The Chair (Mr. Garfield Dunlop): You've got about six minutes remaining.

Mr. Lou Rinaldi: Thank you, Chair.

More in general, Minister, we talked about the auto sector, which is a big sector in Ontario. Can you maybe tell us a little bit about how we're supporting small to medium-sized businesses? Obviously, a lot of them are facing some challenges in every community, I must say, and for the same reason some big businesses are suffering, but in many cases we hear—I know I talk to some folks who say, "Well, yes, you've got supports for the auto sector or the big industries, but what are you doing for small to medium-sized business?" I wonder if you can elaborate a little bit on that issue.

Hon. Sandra Papatello: Let me just focus on the last budget alone, because I think we'll run out of time by the time I get through that list. The advanced manufacturing investment strategy out of MEDT is one of those examples where we've constantly revisited the thresholds in the AMIS program to make it more beneficial to small and medium business. In this last budget, we actually took the thresholds and made them lower, so that the total investment now is some \$10 million, with a job requirement of 50, and that continues to be ratcheted down, all in response to hearing from small businesses saying, "I'm not that large. My investment won't be that big, but over five years I can hit these targets." Moreover, while that was always a loan program, and it still is, it's also moved from being a 10% loan of a total investment to a 30% loan of a total investment.

That may seem much or little to many, but what has happened with the companies we've dealt with is that we've actually become the glue that's allowed that company to go forward and secure other financial support, because they see that the government has done its due diligence to look at the project and say, "Yes, we believe in this." And that's brought others to the table to in fact allow those projects to move ahead.

A number of initiatives that we heard about: One was just announced by our Minister of Small Business the other day, where the budget item identified \$5 million specifically for small and medium-sized businesses to be able to capture more of the global market and expand to more of the brick regions where they may have product that should be suitable for those markets. That's something that the Minister of Small Business will be rolling out shortly to actually help with financial support to get

these companies from Ontario into trade shows that are held abroad on a regular basis, to get their products out into new markets. That's very direct assistance.

Some of the tax initiatives that we've spoken of will have a dramatic impact. Last year's economic update, followed up by this year's budget, with a decrease over the next seven years to the business education property tax, for example: That's the kind of expense to a business that they have to pay no matter how much business they're doing that year. It's one of those stable costs they know they have all the time. Those are the kinds of costs that they can clearly see will be coming down lower and lower for the next seven years. The total initiative, just on the business education property tax, is \$540 million across Ontario, literally a cost they know they have to pay regardless of how well or how poorly their business might be doing in that particular year.

We have a number of other opportunities through MEDT to be helping our small and medium-sized businesses. We want our jurisdiction to be global. Because of that, we've opened 10 offices around the world, in various parts of the world. Any one of these offices will be suitable to some of our businesses here in Ontario. So if they have a product that's suitable to emerging markets, we have an office in New Delhi, in Shanghai and in Beijing. If we have a product or a company that can do very good business in Europe, we have offices in Paris, in London and in Munich. If they're largely west coast US, we have an office in LA, with an officer there who does work all along the coast on the western side; and similarly an office in New York. So these are the kinds of opportunities where literally—at ontario-canada.com, you'll find our offices one e-mail away from finding out where their suitable partners are that they can contact, saving businesses time and money from reaching a potential market for their product.

This is more important for small businesses, perhaps, than large. Some of our large businesses open offices in these other countries on their own and they manage just fine. In fact, it's the small and medium-sized businesses that perhaps don't have the wherewithal or the special marketing department in their company to do that kind of leg work. That's what we're there for. We're there to help to open markets for Ontario. Ninety per cent of all of our product goes outside of Ontario. We're an export jurisdiction. It's been the success of Ontario for many decades now, and it will continue to be in the future. What's different is that while 80% of that product goes to the United States, we have to be sure that a larger percentage continues to go outside of America and into other markets, so that as world economies change, Ontario won't be so buffeted simply by being so wed to the American market, which is certainly what we're facing today in the slowdown of the US market.

The Chair (Mr. Garfield Dunlop): We'll now turn it over to the opposition.

Mr. John O'Toole: I know that you know full well how important the auto sector is to Ontario, and certainly,

as a person who worked there for over 30 years in a variety of locations, I know as well.

We met last week with the Canadian Vehicle Manufacturers' Association—and I'm sure you did as well; they had a lobbying day here. It's so important to the economy. It represents about \$20.57 billion, employment is 232,000, and revenue is \$128.3 billion. So it's a huge industry. Even if you attract the questions that Mr. Chudleigh has brought with the Roger Martin prosperity report, where it clearly says, in several places—you paid for this report. It clearly says that we're in a gap with our North American peers; that's on page 9, although throughout the whole report it's giving you something very profound.

On page 45: "The incoming government needs to pursue tax reform as a high priority to raise Ontario's competitiveness and prosperity."

On page 47, it says, "Taxation of new business investment is higher in Ontario than nearly all OCED countries." In fact, the list goes on.

0930

But I think even in practical terms, Murray Campbell's article this morning—and I do want to read it—is quite good. I think it's telling, not because I know your riding is in Windsor and that it's devastating—as a former employee there myself, I'm devastated. What I'm devastated about is that you have no plan. There's clearly no accountability—and there's a whole bunch of issues here that I certainly want to bring. But I'm going to read this for the record:

"The plant closing has exposed a profound weakness in the government's auto sector strategy in that it has limited ability to influence the Detroit-based auto makers even though it is shovelling piles of money at them.

"For years, the Premier has talked ebulliently about how the government has leveraged \$500 million into \$7 billion of investment in the auto industry. It's clearer now than it has ever been that there are two parallel roads here that will never converge. Ontario may influence decisions by the Big Three by writing cheques to cover 10% of their new investments. But this does little to alter their planning around existing assets. GM, Chrysler and Ford remain the big dogs of industrial capitalism. They may be foundering, but no government in a branch-plant jurisdiction is going to tell them what to do."

And we're a branch jurisdiction, it goes on to say.

Minister, it's a big game, and I'm not sure if you have the skills to compete in it, but if I look at what's actually going on, and not to be personal here—this isn't the point. The point here is that next week, the big plan is that you're going to Italy. I'm not sure exactly why you're going to Italy. We could build all the cars that Fiat makes at the General Motors plant in Oshawa in a week. I don't know what the big deal is except there's good weather in Italy, is all I can say.

Even if you look at the other reports, the last testimony in this article says:

"In earlier testimony,"—when questioned by member Chudleigh here—"she declined to talk in detail about the

job guarantees in the auto sector grants. 'There are just certain contracts that we will not release in the public domain,' she said. Is that defiant attitude appropriate, given the way GM is treating Ontario?"

That's an appropriate question that member Chudleigh as well as member Paul Miller challenged you with in this very setting. Look at the issues that I'm looking at. Even in the clippings this morning: "Canadian Firms Burdened by Tax." This isn't written by some politician; these are written by PricewaterhouseCoopers and other experts who see the burden on what we consider the life-blood.

Creating jobs in the government—they're good, they're important and they're necessary for our quality of life, but they don't create wealth. They create a standard of living, and society benefits, which we all want—don't misinterpret that—but you have to grow the economic value of this pie.

You don't seem to have a strategy. In fact, you do nothing about most of the questions that have been asked by Mr. Miller and Mr. Chudleigh. I would say that I've got a couple here that I'm going to get down, with your indulgence, Mr. Chair.

The Vice-Chair (Mr. Garfield Dunlop): You've used up five minutes so far.

Mr. John O'Toole: Oh, I have? Time goes quickly when you're having fun.

If you look at the budget—let's get right down to specifics—are we getting value for money with your ministry? I have serious doubts. The staff, I'm sure, are working under your direction. That's why results aren't there.

"According to the 2008-09 ... budget, total expenses for the Ministry of Economic Development and Trade for the fiscal year 2008-09 is \$445 million, up \$105 million, or 31%, since 2007-08." One of the questions there is: Why has spending increased so dramatically?

"According to budget 2008, in 2007-08 the Ministry of Economic Development and Trade spent \$340 million. That is over \$13 million more than the \$327 million it said it would spend in the 2007 budget, and \$141 million more than it spent in the previous year, a year-on-year increase of 71%. Do you expect the same cost overruns again this year?"

You're spending more and getting less. That's the whole point here. It's tragic. The evidence is clear. I can go on further here:

"Spending in the Ministry of Economic Development and Trade is up \$341 million since 2002-03, or 328%,"—hemorrhaging, you might say—spending is up \$356 million, or 400%, since 2003-04. Given the current state of the economy, would you say this was money well spent?"

That question is self-evident here. Just the evidence from Murray Campbell this morning is a good example. So the question is—and this is a real question about a sector that's failing in front of your eyes, right in your own riding—what's the plan? What are the guarantees for the taxpayers of Ontario?

There's more here. We're terrified, quite frankly. The economy is going to pull itself into the hole. There's no plan here. It's sort of like a vacuum cleaner out of control, sucking the life out of the economy: manufacturing, forestry, the resource sector and the cost of energy. You have some controls here, but there's no plan. I hear about nothing but trips to various parts of the world, China, so that we can bring in cars that they build over there or something.

That's the question. What's the plan here? Your spending is up; your performance is down.

Hon. Sandra Pupatello: How much time do I have?

The Vice-Chair (Mr. Garfield Dunlop): You have 14 minutes.

Hon. Sandra Pupatello: Number one, I think it's really important to note that Fiat is a great company, not only because of my own Italian roots, but because it has a long history. I'm going to send you a website so that you can have a look at some pretty fabulous cars. I think their production levels are at about 2.5 million, so I would question the veracity of the statements that this member in particular makes with Fiat.

Moreover, the Premier will be travelling to Europe this month, and I wish him well. He always does a great job for us. He's the best salesperson that Ontario has ever had.

I also have to say that it's important, when talking about the budget of MEDT, that we look at it in the context of what the real numbers are for job creation in Ontario. Ontario has now surpassed 458,000 new jobs. Many members of the opposition would like to boast that they're not the right kind of jobs, but I have to ask you—in fact, the ICT sector is growing by leaps and bounds. I walked through the new floors that Silicon Knights has established in downtown St. Catharines. Those young people who work in this sector walk in the door at \$80,000 a year. There is a tremendous boom going on in the ICT sector, and I have great specialists in the MEDT who work very directly with this sector, so that we can engage our policies to help them even more, because the sector is booming.

Likewise in financial services, we are seeing tremendous growth in the financial service sector. We, too, have specialists in our ministry who work very directly with the sector to engage them and engage other ministries to see what more we can do and what policy we can develop and implement that will help their sector grow even further.

The reality is 458,000 new jobs in Ontario. That is a dramatic number. That is like half the size of Mississauga. I'm probably adding a few to the population of Mississauga.

In any event—very specific questions around the budget of MEDT. I think it's noteworthy that when we throw out numbers about how much more MEDT is spending, it is very specifically related to the programs that we are dealing directly with our business partners around. That's it. In fact, our ministry is doing more for less, and that's been the case for the last five years.

We're engaging more sectors with the same level of staff we had in the past. There has been very little change in the administration and administrative costs of the ministry, and in fact, the result of the work done at MEDT has resulted in over 458,000 new jobs.

We have to keep that in mind that Ontario is doing very well on a number of fronts in a number of sectors. We, as the government, are acknowledging the challenges in manufacturing. While we were still in opposition, we acknowledged the challenges that this sector faced back in 2001, and that was specifically related to the rise in the value of the Canadian dollar.

Let's remember, for those of us who have been here for a few years—this particular member and I both started in 1995—these challenges began in about the year 2000, when our Canadian dollar took off, much to the surprise of all the economists who today write their reports. None of them predicted this level. When our manufacturing sector is as integrated as it is with our colleague American jurisdictions, then automatically, every time the dollar goes up, the cost of our product goes up by virtue of the fact that 80% of it is being purchased by our American friends. So naturally, they've had to look at those kinds of cost savings and productivity issues, because year after year, the value of the Canadian dollar went up.

Today, not only are we still facing that challenge, we now have the added challenge of the price for a barrel of oil at an unprecedented level. Again, no economist—all of those who write these reports—ever predicted that we would see the cost of a barrel to be at this level, ever. We knew it was gradually going up, but no one expected the soaring that it's seen, especially in the last 12 months.

In addition to that, because 80% of Ontario product goes to the US, they also did not anticipate a slowdown in the US economy. That, coupled with emerging markets coming on stream to challenge us and be very competitive on some fronts in manufacturing—certainly not on all fronts, because there are things they simply cannot offshore, and that's largely because of the skill set in the workforce here in Ontario.

0940

We've seen a number of challenges, all landing at exactly the same time, but some of those challenges were around when our colleagues in opposition were then in government. The response at that time by opposition was, "Step forward, come forward with a plan." But at that time, Minister Flaherty, who is now the Minister of Finance for the nation, turned his back on the manufacturing sector and said that it was all about corporate tax policy. The reality in a manufacturing sector that is being challenged is that they actually would see little profits and absolutely zero advantage to changes to the corporate tax rate. It changes not one bit their financial statement for that year. So when the Canadian manufacturer—the vehicle manufacturers were here just this past week speaking to all parties, as they should. They never once mentioned corporate tax policy in Ontario. Why? Because that is not on their agenda. The reality is

that they are looking for how governments can step forward to help. How can we be certain—

Mr. John O'Toole: Thank you for that.

The Vice-Chair (Mr. Garfield Dunlop): Excuse me, Minister; one second. Can we get a moment of order: Are you saying—

Mr. John O'Toole: I'm very happy. I'll have a copy. Just send me a copy of your briefing book. I have a couple of more questions.

The Vice-Chair (Mr. Garfield Dunlop): I think we're trying to get a few questions in here so we can get—

Hon. Sandra Pupatello: Just on the matter of the financials: I'd like to turn it over, just for one minute, to my CFO to speak to the specific items that are increased year after year. That would be great.

The Vice-Chair (Mr. Garfield Dunlop): Okay. We'll do that at the next question, because we've had a seven-minute question and a seven-minute answer. We're going to get a few more of them here, so let's go to the next question. There are only seven minutes left.

Mr. John O'Toole: I would say that my response here—and I'm going to flip it over to Mr. Chudleigh, who's the actual critic of your ministry.

The Vice-Chair (Mr. Garfield Dunlop): Let's get a question to the minister.

Mr. John O'Toole: I'll default to Mr. Chudleigh, because I'm very frustrated. I'm almost in tears.

Mr. Ted Chudleigh: Minister, you're aware of treasury board orders?

Hon. Sandra Pupatello: I've been a member of treasury board for about five years.

Mr. Ted Chudleigh: Good. In 2006-07, the ministry received four ministry board orders totalling \$7.6 million. Could you tell me what happened with that money?

Hon. Sandra Pupatello: I'll turn that over to my chief financial officer. If we don't have it today, we'll be happy to get you that information.

Mr. David Clifford: We don't have those details with us. I believe those treasury board orders pertain to a number of year-end investments that were made. But we'll get that information back to you.

Mr. Ted Chudleigh: There was one on June 15, one on November 16, one on January 29, and one on March 22, 2007, totalling \$7.6 million. The auditor's report indicated that there was only \$1.6 million of that spent. What happened to the other \$6 million?

Mr. David Clifford: Unfortunately, we don't have those details with us here, so we'll get back to you with that.

Mr. Ted Chudleigh: When would I have that information?

The Vice-Chair (Mr. Garfield Dunlop): Could you introduce yourself for Hansard, please?

Mr. David Clifford: I'm sorry. David Clifford, chief administrative officer for the ministry.

The Vice-Chair (Mr. Garfield Dunlop): Thank you.

Mr. Ted Chudleigh: When would I have that information?

Hon. Sandra Pupatello: We'll get that to you as soon as we have it.

Mr. Ted Chudleigh: What kind of date would that be? Is that next year or this month or next month?

Mr. David Clifford: I would think this month would be reasonable, but I'll defer.

Mr. Ted Chudleigh: I'd receive that information in the month of May?

Hon. Sandra Pupatello: We'll get back to you with that information as well.

Mr. Ted Chudleigh: I'm trying to get a timeline on it, Minister.

Hon. Sandra Pupatello: We'll get that to you as soon as we can.

Mr. Ted Chudleigh: I know. That's kind of like a Liberal promise. I'd like a little more succinct time frame on that.

Hon. Sandra Pupatello: We'll get that to you as soon as we can. Thanks.

Mr. Ted Chudleigh: By the end of May I'd have that information?

Hon. Sandra Pupatello: We'll get that to you as soon as we can.

Mr. Ted Chudleigh: I'm interested in whether that \$6 million went into a slush fund somewhere. If you could be a little more succinct as to where that money went, I would appreciate that information.

GM just announced that it had 900 layoffs in Oshawa, and there were 1,200 layoffs in Windsor. Is there any attempt at all to see if we can get some of that \$235-million grant that you gave GM, to recoup any of that money?

Hon. Sandra Pupatello: Some of the information that had come out last year indicated that General Motors would be laying off 1,200 people. That was last year. Because of their contractual obligations with the CAW, they're compelled to make announcements of pending layoffs very early on. What happened with that 1,200 notice that went out in one month is that it actually became a layoff of 400. The difference is that the number that's in the public domain and used by opposition members is in fact not the number of layoffs that actually occurred. What happened last week was that General Motors announced 900 layoffs that would be coming into effect this coming September. What I anticipate is that that will not be the final number of layoffs, because none of the OEMs who make announcements of the total number initially, which they're required to do by law—they don't come out with that actual number, so that the numbers are actually—

Mr. Ted Chudleigh: I'm sorry, Minister, the question was, was there any attempt to get the money back?

Hon. Sandra Pupatello: When they made their announcement last year, automatically our first reaction was to go back to the contract we signed with General Motors.

Mr. Ted Chudleigh: Chair, the minister is obviously just killing the clock. She's not answering the questions. The question was—

Hon. Sandra Pupatello: So when they made their announcement last year around—

Mr. Ted Chudleigh: The question was, was there any attempt to get that money back? That was the question.

The Vice-Chair (Mr. Garfield Dunlop): Can you try to answer that particular question, Minister? Thank you.

Mr. Ted Chudleigh: A succinct and clear answer would be appreciated.

Hon. Sandra Pupatello: When we have announcements of potential layoffs—because that 900 announced last week in fact isn't taking effect, hasn't taken effect and won't until this September, and as was the case with last year's announcement of layoffs, the number isn't the number that is out in the public domain—we automatically go back to our contract to look at what footprint was identified in the contract, and what we knew of, even last year's announcement, keeps that contract whole. Those are the negotiations we have with every OEM when we're signing contracts to be involved with our automotive investment strategy.

Mr. Ted Chudleigh: I'll take that as a no. You're not making any attempt whatsoever to get that taxpayers' money back from General Motors in this program, even though they have announced layoffs of over 2,100 people in the last couple of weeks.

Hon. Sandra Pupatello: As I've indicated, the numbers that you are putting in the public domain are in fact—

Mr. Ted Chudleigh: There is no attempt by this government—none whatsoever—to recover any of that money and there is no attempt by this government—none whatsoever—to look at the program—

Hon. Sandra Pupatello: Chair, I'm sure you'll allow me some response time.

Mr. Ted Chudleigh: —to look at the contract that they had and to let the taxpayers know how badly they're being treated in this particular instance. Is that correct, Minister? There's absolutely no attempt—

Hon. Sandra Pupatello: The numbers that you're choosing to put in the public domain—

The Vice-Chair (Mr. Garfield Dunlop): Okay, there's two minutes to respond to this and then we'll go to the third party.

Hon. Sandra Pupatello: Yes—are actually inaccurate. The 1,200 that was announced last year in fact became 400 when it actually happened. Likewise, the 900 announced last week won't take effect until this September, so those 900 have not been effected today and we don't know what the ultimate number will be.

What's really important is that as we go forward in negotiations with our assembly partners, we identify what product is affecting what plant and look at the numbers and job numbers around the plants that are being impacted by the investment that the company is making.

To date, with all of our OEMs, all of those contracts are intact. None has had a breach of contract. Every time there is any glimmer of a rumour or a story, the first thing my ministry officials do is go to the drawer, pull out the contract and see that our contracts are left whole, that all

of the activity at the facilities that have been identified by the contract, by the product that is being delivered to that plant or facility—that those job numbers remain intact with the contract that's been signed with the Ontario government.

I think it's fair to say that in an ideal world, we'd want to look at the company's total footprint in Ontario. That is simply not the reality in the automotive sector today. It would be impossible to have a company that would commit to something that happens 500 miles from one of their facilities, because the investment is by facility, so our contracts are actually written by facility.

The Vice-Chair (Mr. Garfield Dunlop): That's the time of the official opposition. Now we'll go to the third party. You have 20 minutes.

Mr. Paul Miller: Good morning, everyone. For the last two sessions, I've been asking about job creation and/or retention commitments in three ministry-funded projects: the \$235-million Beacon agreement with GM, the \$76.8-million agreement with Chrysler and the \$100-million contribution to Ford's Centennial project. Each time I've asked, you have refused to answer, saying that your ministry does not reveal job commitment retention information to the public.

I have a document which our research staff received through the FOI request which I would be glad to distribute to the other members of this committee. The document details all contracts that were signed under the ministry's main funding programs, including job retention, creation targets and total contract value as of February 8, 2008. The covering letter is signed by an assistant deputy minister, David Clifford. I'd like to go through five of the larger contracts with you, one by one, and you can tell me if the information your officials supplied is correct or not.

According to this document, General Motors' share of the Beacon project is \$175 million, of which just over \$117 million had flowed by last February 8. This document says that they've committed to create 900 jobs. Are these numbers correct and, if so, have the 900 jobs been created?

0950

Hon. Sandra Pupatello: The contract with General Motors, in fact, isn't complete. As this member opposite would know, our commitment, as well as the federal commitment at that time, is that as the companies continue to make investments, that is what kicks in the time frame by which we would make our commitment. So as companies make investments, so too does the Ontario government make a commitment.

If the document that this member is referring to suggests what level it's achieved, that's only because it's always going to be a percentage of what the company is investing. The numbers are also over a period of years, also identified in the contract, so that in fact if the numbers aren't achieved, we aren't at the end of the cycle of the contract either.

Mr. Paul Miller: Mr. Chairman, can I interlude—I don't think the minister's answering the question. Were

those 900 jobs retained? It's my understanding that they were not. There are jobs leaving the area all the time.

You don't go over the length of the contract and hope at the end of the contract that they retain the jobs. The jobs are supposed to be there. Even if the place closes, they're supposed to retain jobs in the area, and they're not. That was part of the deal: to retain jobs. You don't wait until they close and leave and say, "Oh, well. We can't control the length of the contract." I'm confused by that answer, so maybe you can help me out.

The Vice-Chair (Mr. Garfield Dunlop): Try to be a little bit more specific, Minister.

Hon. Sandra Pupatello: The General Motors contract that this member is referring to actually refers to the Oshawa site. At the Oshawa site, there is a contract signed with the Ontario government that extends over a number of years. Just like the AMIS program—also a five-year contract with these companies—we work with the companies to identify what will happen over the lifespan of that contract.

This member opposite has identified that the total amount hasn't flowed from the Ontario government. That's because it is constantly mirroring a percentage of what the company itself invests. So as the company invests, so too does the Ontario government, and it will continue to do that until we get to the upper limit of the contract. The numbers that are identified in our negotiation with the company are also numbers that are generated over the length of the contract.

To answer the question is specifically to say that we're in the midst of several contracts with several companies, and that's what we identified. We know that these investments happen over time, and our contract is reflected in that manner.

Mr. Paul Miller: Well, I'm not sure, Mr. Chair—

Hon. Sandra Pupatello: Perhaps my deputy has something to add here.

The Vice-Chair (Mr. Garfield Dunlop): Hold on. I'd like to get a clarification for Mr. Miller.

Hon. Sandra Pupatello: Sure, and my deputy would like to add something as well.

The Vice-Chair (Mr. Garfield Dunlop): A little bit to be added by the deputy. Thank you.

Mr. Fareed Amin: Just to add to what the minister said, for all these contracts, we have very detailed provisions on investment levels and job numbers. As the minister said also, we will continue to monitor those investment levels and job numbers to ensure that the recipient of government assistance does meet all its obligations under the contract. So we're constantly ensuring that the public interest is protected by ensuring that there's accountability for money spent on behalf of government by these organizations.

Mr. Paul Miller: Thank you. The minister stated that \$117 million has flowed already. How many jobs have been created as a result of that investment?

Hon. Sandra Pupatello: We would have to go back and look at what the numbers would be at this point in time, but again, the job numbers that we work with all of

our OEM partners are extended over the life of the contract. So I wouldn't be in a position to say what percentage of the total and therefore what percentage of jobs. It depends what that investment is for. Some of our investments, for example—

Mr. Paul Miller: So we could say that—

Hon. Sandra Papatello: Sorry, if I could just finish.

The Vice-Chair (Mr. Garfield Dunlop): Okay. Let her finish.

Hon. Sandra Papatello: Thank you. Some of the monies, for example, are targeted directly to training, so that we know the funding is being used for training. That training is going to happen in different segments of time, so that you would have some of the amount go out early—because they've trained, say, one third—and then the next round may not be for another year, or the second year, when that training money would be flowed again because that's when the training actually takes place. So every contract is very different.

Mr. Paul Miller: That's sufficient. But we're not talking about training; we're talking about job creation and job losses. As I've stated in the House, you can train as many people as you want, Minister, but if you don't have jobs to go to, that's useless.

According to this document, Ford will receive \$100 million for its Centennial project, of which just over \$90 million had flowed by February 8. This document says that they committed to retaining 4,000 jobs. Are these numbers correct? If so, have the 4,000 jobs been retained?

Hon. Sandra Papatello: This member opposite would know also that the project with Ford has been a tremendous success for Oakville. All of the members from that region would know that the Lincoln MKX and the Edge are doing tremendously well in the marketplace, and it's due in large part to the program that Ford has brought into the Oakville plant. That establishment is doing very well and the sales are doing very well.

The contract with Ford is over a number of years. The government's portion of the investment is made as the Ford company makes—

Mr. Paul Miller: Mr. Chairman, the minister is not answering the question. Have they retained the 4,000 jobs, yes or no?

The Vice-Chair (Mr. Garfield Dunlop): Try to be a little more specific, Minister.

Hon. Sandra Papatello: Thank you. The number of jobs that we work in negotiation with the company is a commitment that the company makes over the length of the contract. There is not one assembler who has entered into an OAIS contract with us under the automotive investment strategy—not one of those companies is in breach of the contracts that they have signed with the Ontario government.

Mr. Paul Miller: Does that include job retention?

Hon. Sandra Papatello: Job retention is a function of the contract signed with the Ontario government, so naturally—

Mr. Paul Miller: So that's a yes?

Hon. Sandra Papatello: —not one assembler—

Mr. Paul Miller: One job is lost?

Hon. Sandra Papatello: —not one assembler is in breach of the contract. I know that he doesn't like to hear that. He wants to hear the negative, but in fact it is a success story in the Beacon project. The Oakville plant—

Mr. Paul Miller: Could we move on, Mr. Chair?

The Vice-Chair (Mr. Garfield Dunlop): Let her just finish. Let her wrap up—

Mr. Paul Miller: But she still hasn't answered the question.

The Vice-Chair (Mr. Garfield Dunlop): Let her just wrap up.

Mr. Paul Miller: I've asked how many jobs are lost—

The Vice-Chair (Mr. Garfield Dunlop): Mr. Miller, if I could just have her wrap up and then we'll go to your next question.

Mr. Paul Miller: Well, if she'd answer the question, Mr. Chair—

Hon. Sandra Papatello: Specifically around the Oakville plant, which I think is the plant that's in question here—

The Vice-Chair (Mr. Garfield Dunlop): Job retention—

Hon. Sandra Papatello: —the contract that was struck with Ford around the Oakville facility is going extraordinarily well. Not one assembler signing a contract with the Ontario government is in breach of their contract. That may not be what this particular member wants to hear, but that is the fact.

The Vice-Chair (Mr. Garfield Dunlop): The next question, Mr. Miller.

Mr. Paul Miller: Thank you. I still haven't got any answers, but anyway. According to this document, DaimlerChrysler will receive \$76.8 million for expansion at the Bramalea and the Windsor project, of which just over \$35 million had flowed by February 8. This document says they committed to retaining 5,200 jobs. I don't know if the 1,400 that were just lost are included in that 5,200. Are these numbers correct, and if so, have the 5,200 jobs been retained in the Bramalea and Windsor areas?

Hon. Sandra Papatello: If I may, the contract signed with Chrysler is going extraordinarily well, and I would hope that this particular member would keep his OEM companies straight when he's discussing numbers in terms of layoffs. A great part of that amount went into the building of a new paint shop. Not only was that great for jobs in the Windsor area, but it was also great for the environment because it's a paint shop that is at the highest level of technology and rolled into—

Mr. Paul Miller: Mr. Chair, I'm a little surprised by the minister's comment. These numbers are released by the ministry, by the staff.

The Vice-Chair (Mr. Garfield Dunlop): Okay. I'll let the minister wrap up there and then we'll get on to your next question.

Hon. Sandra Papatello: Again, the funding that comes from the Minister of Economic Development and

Trade is directly related as a percentage to the company's investment in their facilities identified in the contract. The Chrysler contract is going extraordinarily well. Like the other OEMs that we have signed contracts with, not one of our assemblers is in breach of their contract. Chrysler is doing very well. We just launched the new Challenger in Brampton on Friday. It is going extraordinarily well. They're building 5,000 Challengers, and every single one is sold.

Mr. Paul Miller: Mr. Chair, could I get my questions in?

The Vice-Chair (Mr. Garfield Dunlop): Okay, Minister, next question.

Mr. Paul Miller: The minister keeps saying that everything is going well, but I don't get any answers on retaining jobs or job creation. It's just, "Everything's going well; they're abiding by their contract." I'm not sure if that's the case, because if there are job losses in these specific areas, then they aren't adhering to their agreement.

According to this document, which was released by her ministry, Linamar will receive \$44.5 million from your ministry for expansion at its Guelph facilities, of which just over \$13 million had flowed by February 8. This document says that they committed to creating 3,000 jobs. Are these numbers correct, and if so, is Linamar on target to creating the 3,000 jobs that they promised?

Hon. Sandra Pupatello: Linamar.

Mr. Paul Miller: Oh, I'm sorry. The pronunciation's a little wrong there.

The Vice-Chair (Mr. Garfield Dunlop): Okay, Minister. Is that the question, Mr. Miller?

Mr. Paul Miller: Yes, it's the question.

Hon. Sandra Pupatello: Linamar is a great Ontario success story. The contract that we've signed with Linamar is going very well. Again, a function of the OASIS program is that the Ontario government makes its investment as the company is making its investment. The length of the contract extends over several years, which allows the company to make their investments year after year. There are job commitments that Linamar has made. Again, Linamar is a major parts supplier and participant in the OASIS program and is doing very well. They are not in breach of their contract, nor do we anticipate that they will be, and that includes Linamar meeting its job targets.

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The Vice-Chair (Mr. Garfield Dunlop): Thank you, Minister.

Mr. Paul Miller: Okay. I hope the minister will share that information with me; that's good. She wouldn't share the other stuff with me.

According to this document, International Truck/Navistar—I think I pronounced that correctly—will receive \$32 million from your ministry for skills training at Navistar's Chatham facilities, of which just over \$18 million had flowed by last February 8. This document says that they committed to retaining 525 jobs. Are these

numbers correct and, if so, is Navistar on target to retaining their 520 jobs? Or are you going to say that they're doing very well again?

Hon. Sandra Pupatello: The contract with Navistar is going very well. As I indicated earlier, the Ontario government makes an investment with the company as the company makes an investment. I think, if you were to contact perhaps the leadership of the CAW, who watch these numbers very carefully, with all of these company questions that you have today, they're very diligent as well. Navistar included in their contract a significant amount of research and design as part of their project, and that also included a number of high-level institutions like the University of Windsor. So there is a huge part of their contract dedicated to the R&D facilities affiliated with the University of Windsor. Again, the University of Windsor is doing very well by way of their R&D. They're the kind of facility that hosts Auto21, which is the national auto research centre for Canada, and Navistar is a huge feather in their cap—

Mr. Paul Miller: Thank you, Mr. Chair.

The Vice-Chair (Mr. Garfield Dunlop): Are you satisfied with that answer?

Mr. Paul Miller: No, I'm not satisfied. I didn't get an answer again. But—

The Vice-Chair (Mr. Garfield Dunlop): Okay. We're down to seven minutes, by the way.

Mr. Paul Miller: Thank you. By the way, Minister, these aren't "company questions." There should be ministry questions and public questions. They're not my company questions. I should be able to obtain that information.

I asked the minister why she refused to give me these figures when I asked for them in the previous two sessions. Clearly, she is required under the Ontario information and privacy legislation to make this information public, or her officials wouldn't have released it in the first place. According to this document, companies that you signed contracts with have job retention and creation targets. What happens if they don't meet the targets? Is there any obligation on the part of these companies to pay back some or all of the money that you've lent them under these conditions?

The Vice-Chair (Mr. Garfield Dunlop): Minister, you've heard the question.

Hon. Sandra Pupatello: Thanks. What I recognize in this job is that I'm dealing with companies on a regular basis through any number of the programs that Ontario may have available to assist them. Companies are very reluctant to have their discussion with the government in the public domain. That's just the nature of the business. Much of the work that they're doing, especially when it is around meeting criteria of a government program, is around innovation or new technologies, and these are not things that they would talk about in a public way, mostly because they're in a very competitive environment. A lot of it is proprietary, and they know that when they speak with government officials—with me or with any member of the EDT team—they're talking about very confidential

and secretive information related to their company. So I can tell you that if companies understood that their contract would then become part of the public domain, they simply would not engage the Ontario company in those discussions. We will not have an opportunity to lure them to make those investments in Ontario. I know that, while this particular member hasn't had experience in government, his colleagues have. His colleagues also understand that those who held minister portfolios understood full well the nature of business, that they simply won't engage if they feel that they have to do it in the public domain. Unless we're in a whole different country—

Mr. Paul Miller: Mr. Chair, I think she's going off target here. I'd like to begin again before my time is up. I believe it's my time.

As far as ability and experience, Minister, I've been around a long time and I've dealt with unions and companies. So I take offence at that comment that I don't have any experience.

In reference to the minister, I'd like you to answer or—in fact, I don't want you to answer because I'm not getting an answer. I'll ask your deputy. Can the deputy tell me how many jobs have been created by the \$117 million to General Motors as of February 8? How many jobs have been created or lost?

The Vice-Chair (Mr. Garfield Dunlop): Deputy, if you could—did you give your name yet? Okay, thank you.

Mr. Fareed Amin: I can't provide the member at this point with the exact job numbers as of today on these contracts. What I could say, though, is to add to what the minister said, in that we are ensuring that these companies meet their obligations under the investment funds they receive from the government of Ontario. So we will ensure that all these job targets are met, as well as investment targets are met.

The other important consideration is to also reflect on the fact that we co-invest with these companies, so as the companies make their investment, we provide them with our support. We also ensure that even before we meet our obligations, all of the requirements in terms of the audit trail and the money that the company has spent can be validated before we make our co-investment with them.

Mr. Paul Miller: So what you're telling me, if I'm not mistaken, is that, yes, the commitments will be filled, the jobs will be retained, and all these incidents that I've—by the way, I have about 40 more promises that I hope are going to be retained. The stats in Ontario aren't portraying what you're saying, so maybe you can clarify it for me with some statistics that you have at your disposal.

I'm really curious—

The Vice-Chair (Mr. Garfield Dunlop): You have three minutes for this round.

Mr. Paul Miller: In closing, I didn't get an answer other than the fact that the minister keeps telling me that it's confidential and that companies don't like to discuss these things. Well, why did I get it? The freedom of

information—why did your ministry release this information if it's so critical and secretive? Our staff got it.

I think it has nothing to do with competition, as the minister says. I think competition has nothing to do with retaining jobs. Competition is selling your product and cars. Promises to the government or deals they cut with the government are absolutely within the public domain, and they should be made aware of these situations. I am actually disgusted with the answers I've been getting today. I find them evasive, non-committal and out of line.

The Vice-Chair (Mr. Garfield Dunlop): You have no further comments?

Mr. Paul Miller: I have no further comments.

Hon. Sandra Pupatello: Just in response to that, I have to say that what's really important is that this member is actually asking questions and getting information. Unfortunately, it's not the answer he thought he would get. That really is the rub here.

Perhaps he's very uncomfortable understanding that the Ontario government has been very diligent in our work with the private sector. For the first time, after about a 10-year hiatus, the Ontario government chose to reignite its partnership with business in Ontario. The result of that is that while no other jurisdiction was getting investment from the automotive sector, Ontario landed \$7.5 billion worth of investment. As they make their investment, the contract that they've signed with the Ontario government then means our participation is wholly contingent on their making the investment, something that they're not doing in any other jurisdiction to the extent that they're doing in Ontario.

The reality at the end is that Ontario has seen jobs flourishing: 458,000 new jobs. That is a reality. We recognize the challenges that manufacturers face, and all I can say is, where would we be today if we didn't have these companies, these OEMs, five assemblers making \$7.5 billion of investment today? Despite the price of oil, despite the rise of the Canadian dollar, despite the slowing of the market in the US, despite the competition from emerging markets, they're making investments in Ontario at an unprecedented level compared with our competitive jurisdictions. That is a very, very important point to make today: that Ontario has the best to offer in the automotive industry.

The Vice-Chair (Mr. Garfield Dunlop): We'll do the government's 20-minute rotation, and we'll wind up the morning session with 12 minutes on the official opposition, okay?

Mr. Delaney, you had some questions.

Mr. Bob Delaney: I thought the minister's last response was pretty much where I had intended to start. So, Minister, I'm going to do a little bit of a preamble, and then I want to get into some questions that are basically going to deal with where Ontario is going in the future.

This morning, much of the discussion that we've shared here has been what I would relate to looking forward into the 21st century, while looking backward through the rear-view mirror into the 20th century. Much of the thrust of the conversation I'd like to have with you

is the degree to which we're looking forward into the 21st century at a 21st-century horizon.

1010

I want to focus on the notion of the name of the ministry itself: the Ministry of Economic Development and Trade. I bring this up because Sunday and yesterday, I attended the Canada-Wide Science Fair competition in Ottawa. In Peel region, I've long been the elected patron saint, I suppose, of the Peel Region Science Fair. It has always been, for me, as somebody with a science background, very exciting to see what some of our young minds are coming up with.

What I saw was the best of the best. They were focused on clean, green, leading-edge and science-based technologies that were very clearly congruent with the direction that our government has been moving Ontario in.

What struck me is that, in comparing our province to our sister province of Alberta—a place where, very much like you, I've travelled very widely. I've lived out west for a number of years. It has always struck me that what petroleum-based products are to resource-rich Alberta, brain-power-based businesses, ideas and concepts are to Ontario. As well, when our best resources in Ontario are found in the brains of our people, not only is that resource completely renewable, in and of itself it's also clean, green and, most importantly, high value.

If one is an existing company—especially around the GTA and especially with my colleagues here from the 905 belt; we have lots of examples of them—the most important natural resource, the most significant raw material needed by those companies is not only found right here in Ontario; it's found between the ears of the people who live in those communities. So part of what we need to do as a government—and I'm sure it's very much congruent with your ministerial mandate—is to ensure that the businesses of tomorrow have what they need to develop the products, create the value, do business, attract people, reach markets, get financing, protect intellectual property and, of course, remain profitable.

In the discussions I've had as I've gone through more businesses than I would care to count, primarily in the western GTA, I've asked people, "What do you need to stay in business? What do you need to keep doing what you're doing, to create value and to remain sustainable and profitable?" I just jotted down a list of some of the points that people have discussed with me over and over again.

In no particular order, people have said, "We need to ensure that our electricity grid is reliable, that it's cost-competitive. We need to know that a utility is a utility." The same is true with natural gas. They also say, "We need to be able to reach our markets." That means that we've got to make sure that our road and rail net is good and that we can get our people, our ideas and our products—if we're in the products business—from where we make it or where we assemble it to where we distribute it or sell it.

People have said, "We have to make sure that our workforce is ready with the skills that we need." Other

concerns they've raised are, "We have to know whether our capital markets are sufficient, so that when we go looking for the money that we need to do business expansion, to revamp our plant and equipment, to be able to look overseas, do we have a partner in our government? Are we able to find the money that we need here in Ontario or, at the very least, here in Canada?"

With regard to their labour force, they say, "Are our streets safe? Are our communities progressive? Is housing available?" It leads me to discussion with you on province-wide infrastructure projects.

Of the businesses that, 30 years from now, when we're looking in the rear-view mirror and we talk about the businesses that were created in the first or second decade of the 21st century and are the leading and driving businesses—every bit as much as we look at, for example, software that was in its infancy two and three decades ago and is now one of the driving forces in today's economy. Could you dwell a little bit on some of the work done within your ministry and in collaboration with other branches of government that deal with taking Ontario's infrastructure, in all of its facets, from where it was a few years ago to where we need it in the next few years?

The Vice-Chair (Mr. Garfield Dunlop): Are you looking for a long answer or a short answer, I should ask?

Mr. Bob Delaney: It's not a yes-or-no question, Chair.

The Vice-Chair (Mr. Garfield Dunlop): Okay, go ahead.

Hon. Sandra Pupatello: How much time do I have, Chair?

The Vice-Chair (Mr. Garfield Dunlop): It's okay; go ahead, Minister.

Hon. Sandra Pupatello: How much time do I have, Chair?

The Chair (Mr. Garfield Dunlop): It's different in each party, as you can see. Some people don't mind a long answer.

Hon. Sandra Pupatello: Well, I'm always impressed when I listen to this member from Mississauga. He has a very keen interest and great insight in terms of business requirements in this century, because they're very different from the one we left. When we talk about infrastructure, infrastructure today is very different from what the expectations were even 10 years. When you look at Ontario's strengths, and around the Mississauga area at the great strengths of industry there, we're talking about pharma, biotech, ICT, great companies that are coming from abroad and landing in the Mississauga area. Their concept of infrastructure is very different from what we would have talked about even 20 years ago or 10 years ago. So we have to talk about accessibility to broadband and what kind of IT capabilities we have naturally in the supply chain that a great IT company would be working with.

When we're talking about pharma companies—and this member in particular knows this sector very well—

we've got talk about what level of R&D infrastructure exists in Ontario. This year alone, the Ontario government invested \$300 million—just the Ontario government—in R&D. Why does that matter to the people of Mississauga? Because the companies that are based there rely on the level of expertise, and our researchers and scientists, to know that they are the ones coming up with the next generation of that product coming out of a great pharma company in Mississauga.

When we talk infrastructure, we have to expand that conversation to include other than the traditional roads, ports, bridges etc., and I think that's exactly what we're doing. Our colleague over at the Ministry of Agriculture, Food and Rural Affairs has launched very successful programs to assist in rural Ontario infrastructure around broadband opportunities, because while urban centres are finding easy access to this for their citizenry, in fact we still have pockets in rural Ontario where we can't find broadband there for high-speed access to the Internet. This makes a huge difference for our small and medium-sized businesses that are located there. They are overwhelmed with the applications that are being submitted for the available funding out of OMAFRA for these communities to get broadband into their towns. I think it's very telling that we're all understanding that infrastructure, as a definition, has broadened, that every sector has its specific list of infrastructure requirements and that we have to be responsive in that way.

I think what's different today as well is that it comes from different parts of government. Some is federal, some is municipal and some is from the government of Ontario, so it compels us to spend as much time working with our other levels of government to make that infrastructure available. That's where we have to take a moment to talk about the federal role in Ontario. The federal government has abdicated its responsibility in the area of infrastructure. I think they need to come back to the table and realize that the country is only great because the communities that make up this country are doing very well. That means cities like Mississauga have access to the kind of support that Hazel McCallion talks about on a regular basis. She has called on the government, in particular Minister Flaherty, to do his job and be supportive of cities in Ontario.

Mr. Bob Delaney: Thank you. I'd like to ask you to put a little bit of perspective on something. In the years in which those of us who are baby boomers grew up, the generation of our parents, the World War II generation, went through a transition in which the economy had to shift from producing products that were intended to sustain a war effort and retooling itself to essentially reinvent North America, in much the same fashion that eastern Asia is looking at right now, in which everybody needed everything right away. In that day, we did so, but not without a certain degree of dislocation.

Now, in this generation, some businesses that had been mainstays in the 20th century find themselves, with the advent of IT-based or computer-based manufacturing, shifting the way in which they do things, such as the

problem in your own city of Windsor in which a transmission plant, through no fault of the workers and none of technology—they were simply making a product that is no longer made. Those workers, as is the case in many other similar plants, face the need for retraining and the need to shift their careers. Many of those people are our generation, our age, and not only are not without education but in many cases have specialties in the trades or advanced university degrees. We have the brain power; we have the natural resource.

1020

Could you talk a little bit about what the ministry and other ministries are doing to enhance skills training and job services, for example, for laid-off workers and apprentices? And talk to me a little bit about bridge training and other services that help equally skilled new Canadians.

Hon. Sandra Pupatello: I think our history on files such as these really has been well regarded by stakeholders that are involved; in particular, stakeholders to the Ministry of Citizenship and Immigration. I think it was really apparent that the former government virtually ignored the needs of immigrants coming to Ontario, especially as they related to their integration in the workforce.

In our first term, the Ministry of Citizenship and Immigration, with Marie Bountrogianni as the minister, launched a number of new programs that enhanced funding for programs like the bridge program that you referenced. What this meant is that we could outreach right away to thousands of people who couldn't get connected with the business sector, who couldn't get the kinds of services they needed, the kind of training they needed, the kind of English training, in some cases, or just workplace training that they needed to be attached to the job market, and that certainly has changed these days. I think we have more to do, because our immigration numbers continue to rise and we're very proud of that fact. It's one of the best selling features that we have as a province, in fact, to boast to people that you can come from anywhere in the world and feel comfortable right here in Ontario. In the GTA, there are some really astounding facts about the numbers of immigrants that come to this region and do extraordinarily well for themselves and for their families.

I think the last budget was very indicative of the kind of impact we intend to have on the workforce, and support for the future workforces of Ontario; that is, with the programs just introduced, like the second career choice coming out of the \$1.5-billion skills-to-jobs action plan that was announced in this last budget. That \$1.5 billion is really meant especially to get to areas where there are struggling sectors right now, where we have someone who may have been on a job in a particular sector for 20 years and, realizing that that job isn't going to be available, thinking, "What else can I do?"

Take the EI rules, which are antiquated and set back in about the 1970s, which don't mirror what life is like today because of the restrictions placed on the training dollars that can be spent on any one individual. Essen-

tially, they use the motto, "The fastest way to a job," as opposed to, "The best way to the best job." Taking that skill set and that individual, perhaps it means an entire year at college to finish that degree. Perhaps it means an additional year and a half to finish a university degree or certificate, or to finish up the hours at an apprenticeship. What this second career program is going to mean is enhanced funding to do just that, that a 45-year-old has a very different need in terms of supporting children, having a mortgage, having to travel potentially to finish that education, and actually allowing support in the form of money to get these people back, to have a good choice; not to take the fastest way to a job but to take a little bit of extra time, if required, to gain that balance of a certification or a degree required to move into a really good area of skill that is required in the workplace today. I think that was one of the most innovative items that was part of the last budget.

I have to say that the Premier was very intent to be able to address this. The Premier of Ontario actually walked into one of these job mart areas in his own hometown. He walked through and sat down at the desk and said, "Pretend I'm a 40-year-old. I've been working for 20 years. This is what I do. I'm an electrician, but I've just lost my job. Tell me how you're going to help me." In a very real way, he understood immediately what happened when it meant that we were subjected to EI rules that were based in the 1970s, that just don't reflect the marketplace today. Because the Premier personally took on that responsibility, he made sure that this budget reflected his own experience, having walked into that employment centre in the Ottawa area.

What we see today is the development of programming that is 21st century, just as this MPP from Mississauga is acknowledging. That's what we need to be. We need to be looking ahead, or, as the Premier likes to put it, "We've got to skate like Wayne Gretzky, to where the puck is going to be doing, not where the puck is this minute." And that really means very innovative programming coming out of the government of Ontario.

The Vice-Chair (Mr. Garfield Dunlop): Okay, Mr. Delaney. You're down to four minutes, and then we'll go to the last 12 minutes today.

Mr. Bob Delaney: All right. In my last four minutes, I'd like to discuss a little bit about the Next Generation of Jobs Fund. To pick up on a point that the minister made, I can remember some of my uncles talking about some of their frustrations as they took off the uniform in 1945 and faced a situation in which the work rules were basically written in the 1920s and 1930s. The provincial and federal governments of the day had to collaborate to make sure that they accurately reflected what was then the current situation—the late 1940s and the early 1950s—and went forward.

The question to either the minister or to the staff: Could you explain in a little bit of detail how the Next Generation of Jobs Fund works and some of the things that it's intended to accomplish?

Hon. Sandra Pupatello: The Next Generation of Jobs Fund was announced at the GM Oshawa plant. It was part of the Liberal platform going into the last election. At that time, it was announced as a \$650-million fund that would be geared to not just auto manufacturing but even beyond that—addressing other sectors. When we went into the campaign, we went in with our platform document identifying it as a \$1.15-billion fund.

There are some significant things about this fund that are noteworthy:

(1) It's \$1.15 billion. There is no incentive program that we can find anywhere of this size and stature of \$1.15 billion.

(2) It is the first time, in any jurisdiction that we can find, where our investment fund is tied to a service guarantee by the Ontario government. That means that by the time the application is received in full and it's a completed application, the Ontario government has 45 days to give the company an answer: yes or no. We've specifically done this to address the speed with which some of our companies are forced to make decisions about significant investments. They can't wait around to hear, "Next year; maybe next year." Unfortunately, that's the experience that we're having right now, that when we hear that the federal government is launching a program, like they did last year, 12 months later we still don't even have criteria for the program, let alone the opportunity for our Ontario companies to perhaps partake of the program, because they just aren't moving it out the door.

The Vice-Chair (Mr. Garfield Dunlop): You've got a minute, Minister.

Hon. Sandra Pupatello: Ontario has to be different. Ontario has to be in a position to respond to the challenges businesses face in the speed with which they have to make decisions. It's a 45-day service guarantee, a \$1.15-billion fund, and it's also addressing areas other than auto and manufacturing, but also moving into great areas of growth in Ontario like pharma, biotech, ICT and financial services, where we are seeing tremendous job growth today in the Ontario sectors.

The Vice-Chair (Mr. Garfield Dunlop): Thank you, Minister. We'll spend the last 12 minutes with the official opposition and then we'll adjourn until this afternoon.

Mr. Ted Chudleigh: I have a number of questions which I'd like to submit to the ministry for their answers. We'd like those replied to within two weeks, as is required under the rules of this committee.

The Vice-Chair (Mr. Garfield Dunlop): Will you be submitting this in a written form as well?

Mr. Ted Chudleigh: I can get those to you in a written form this afternoon, if that's acceptable.

The Vice-Chair (Mr. Garfield Dunlop): It might be handy.

Mr. Ted Chudleigh: This is under the MEDT program spending under small programs. In 2007-08, you spent \$17.8 million on sales financing support, even though you estimated nothing. What is sales financing support, and could you provide a list of the recipients of

that funding and the purposes for which each of those people received that money?

Hon. Sandra Pupatello: I'm going to turn that over to my financial officer.

Mr. Ted Chudleigh: These are written questions—

Hon. Sandra Pupatello: Pardon me?

The Vice-Chair (Mr. Garfield Dunlop): These are just going to be written questions to the ministry. You don't have to answer them right now.

Mr. Ted Chudleigh: My second question is—

The Vice-Chair (Mr. Garfield Dunlop): You're not looking for an answer right this moment, are you?

Mr. Ted Chudleigh: That's correct.

The Vice-Chair (Mr. Garfield Dunlop): Okay, thank you.

Mr. Ted Chudleigh: My second question is about grants in support of industry development. In 2007-08, you estimated spending of \$100,000 for these grants but then went on to spend \$1.3 million—a 1,300% increase. What happened here, and could you provide a list of who the recipients are of this funding and the purpose for each?

Finally, under your regional and local economic transformation strategy, in 2007-08, you estimated spending of \$2 million on this program—

Hon. Sandra Pupatello: Chair, was that the communities in transition program?

The Vice-Chair (Mr. Garfield Dunlop): Pardon me? 1030

Mr. Ted Chudleigh: It was the regional and local economy transformation strategy 2007-08. You estimated spending of \$2 million in this program but went on to spend nearly \$9 million. Why the large discrepancy, and can you provide a list of all recipients of funding and the purpose for each?

The Vice-Chair (Mr. Garfield Dunlop): That's the only question. So you're not looking for an answer right now?

Mr. Ted Chudleigh: Those would be written questions that I would like answers to.

The Vice-Chair (Mr. Garfield Dunlop): Mr. O'Toole, have you got a question?

Mr. John O'Toole: Yes, I have a number of specific questions. I just want to continue on the automotive strategy part. With all due respect, it's following up on the meetings that we had. You're probably aware of most of this, but I just want a quick response. I'll try not to get to too much babble on my part, provided you don't on your part.

One of the key things we heard was access across the border. The barrier to trade is the border. The Windsor border has been a huge issue. It's your riding; you and Dwight have been up in it to your elbows.

Hon. Sandra Pupatello: Sorry, I don't think that first-name basis is appropriate for committee. Chair, could you make a ruling on that?

The Vice-Chair (Mr. Garfield Dunlop): Just refer to the two ministers, Mr. O'Toole.

Mr. John O'Toole: Pardon me, yes, the two Ministers of Finance and Economic Development, for that area. It has a very high unemployment rate at the border. Can you give me an update at the level of an MPP or a minister on how important that border is, not just to the automotive sector but generally to all sectors, in our trade with the United States? What are the expectations there?

Hon. Sandra Pupatello: How much time do I have, Chair?

The Vice-Chair (Hon. Sandra Pupatello): We have a total of—are you looking for a long answer, Mr. O'Toole?

Mr. John O'Toole: No, just—

The Vice-Chair (Mr. Garfield Dunlop): Just give a brief answer, but we have nine minutes left.

Hon. Sandra Pupatello: I think it's really important to note that the goods and services that flow out of Ontario as an export jurisdiction total some \$800 million a day. The lion's share, in fact the greatest percentage, comes out of the Windsor-Detroit corridor, and that's a very significant lifeline for the Ontario economy, so much so—and I say this politely—that even the federal government has come to the table to pick up the cost of building the actual bridge infrastructure, in moving towards a third crossing, as well as 50% of the border route that will lead to that next crossing. In Windsor, we realize on a daily basis the importance of the Windsor-Detroit corridor.

But it certainly has been noteworthy that the Canadian Chamber of Commerce, the Ontario Chamber of Commerce, the Canadian Manufacturers and Exporters, all of those who have a hand in the clusters that I referenced earlier—the automotive parts suppliers, for example. It was federal Minister Jim Prentice who actually, as he put it, made like a car part and crossed the border so that he could personally experience the route from the Linamar facility in Guelph all the way across the Windsor corridor to the Detroit side of the border, so he could see everything that was entailed when it came to crossing borders with our products. What it enhanced for him was that it's vitally important that we maintain infrastructure at our borders.

Mr. John O'Toole: Okay, that's good. I appreciate that. I just want to get on the record that it's an important link, and you're clearly aware of it, it being in your riding.

The Vice-Chair (Mr. Garfield Dunlop): I think you've satisfied that part, Mr. O'Toole.

Mr. John O'Toole: Yes, I'm very satisfied in terms—it's taken long enough.

The other question here, raised by the industry, was how to ensure that trade reporting rules don't impede border flow. There's a continuous thickening of the Canada-US border and it may undermine Ontario's efforts. These are the regulatory environment reporting issues. Can you comment briefly on that or are you familiar with that? It was one of the issues raised by the industry itself.

Hon. Sandra Pupatello: Yes, and I think it's appropriate that for those kinds of questions, they actually join the government of Ontario in our discussions with the federal government, which is specifically responsible for the crossing of products across borders. We have been imploring the federal government to make sure that we have ease of crossing, both by people and by product. Moreover, the Ontario government has participated, through the embassy work that's being done in Washington—we have our own members of the Ontario government who participate regularly, like Minister Bradley, who have gone to Washington on a regular basis to talk about our border situation, in particular asking that the Americans better enhance the personnel available at the border sites.

In fact, hard infrastructure alone is not going to make our border easier. We are going to have to have that coupled with enhanced personnel and actually have better staffing available at the custom booths, at the very desks where the paperwork is being done. There are a number of IT projects that the federal government has funded over the years that have resulted in some very successful programs like the FAST program and the Nexus program, where people and products are able to cross with relative ease. The only time that that doesn't happen is when (a) you might have a computer glitch, or (b) you've got an overwhelming number at the border at any given time and you don't see that the personnel are sufficient to accommodate that level of traffic on that day.

Mr. John O'Toole: Thank you very much, Minister. That gives me a flavour for that.

The Vice-Chair (Mr. Garfield Dunlop): We're down to five minutes, folks.

Mr. John O'Toole: You spoke of the harmonization, and I probably would support it, both on the regulatory side as well as the harmonization PST/GST argument which was mentioned.

I just want to go back to specific programs here. You keep referring to the whole economy shifting from a manufacturing-based/resource-based economy, as Mr. Delaney says, to the smart side of the economy. That is Ontario's record. When you look at some of these investments—I'm getting here to the AMIS program you've talked about and the IT specifically. Here's some of the background: There was a \$500-million, multi-year repayable loan for companies with large projects—\$25 million minimum—that created at least 100 jobs. The government could cover up to 10% of the project cost, to a maximum of \$10 million. Now that has changed so that the funding goes to projects that must be smaller in size—\$10 million minimum—that create less than 50 jobs instead of 100, and the government will now pick up 30% of the tab. So more money for less jobs. That's kind of troubling.

As I said earlier, you're desperate. It's clear from the AMIS program, changing the rules, and the questions that Mr. Miller asked earlier. When I look at some of the examples—I haven't got a complete list, although the work done through the freedom-of-information request

by the NDP is considerable, and I appreciate that openness by the ministry to answer it. I'm sure some of them will receive some instructions after lunch. How that got out, I have no idea. I've not seen it in some years. Anyway, paying more and getting less on the AMIS fund.

A good example is Diamond Aircraft, \$10 million, in London; FAG Aerospace, \$2 million, in Stratford; Roxul—you mentioned that in one of your remarks—\$10 million, in Milton. You keep referring to the IT sector, and I'd like to hear a little more or get a paper on the strategy, because the IT sector is a phenomenon used worldwide. In fact, I mentioned the work done in The World is Flat, which is a huge book. It's all going to Bangladesh.

Hon. Sandra Pupatello: Bangalore. Sorry, I—

Mr. John O'Toole: It's going to India. Pardon my mispronunciation. It's going to India, Russia and China. They're the three emerging economies.

Interjection.

Mr. John O'Toole: Bob, if you want to get the minister, talk to Sandra, talk to Dwight or somebody.

The Vice-Chair (Mr. Garfield Dunlop): Try to use the ministers' names.

Mr. John O'Toole: The minister or the Premier; speak to them.

Have you loaned Dell computers any money in any of these programs, AMIS or any other program?

The Vice-Chair (Mr. Garfield Dunlop): You just have two minutes.

Mr. John O'Toole: Dell just shed 1,000 jobs.

Hon. Sandra Pupatello: There are a couple of things that I'd like to clarify for the record. Chair, how much time do I have for the response?

The Vice-chair (Mr. Garfield Dunlop): We're just down to two minutes here.

Hon. Sandra Pupatello: Just to clarify the record, this member opposite suggested that we're somehow moving away from manufacturing. He made a statement like that. That is not the case at all.

Mr. John O'Toole: Okay, that's good.

Hon. Sandra Pupatello: In fact, advanced manufacturing is where it's at for Ontario. It's what we excel at and what we should continue to do. I believe it's the crown jewel of our economy.

Mr. John O'Toole: What does advanced manufacturing mean? Robotics?

Hon. Sandra Pupatello: Advanced manufacturing is essentially low-cost manufacturing that is being moved offshore and has been for the last 20 years. That's not where our skill set is going to be in the future in the area of manufacturing.

Mr. John O'Toole: Nanotechnology stuff?

Hon. Sandra Pupatello: In fact, manufacturing of an advanced nature—robotics, automation, new technologies, new materials—that's where Ontario excels. That's why our programs—AMIS, which you referenced earlier. In fact, our changes to the thresholds for AMIS were a specific response to the small business requests that were made of us.

Mr. John O'Toole: How can you reduce the threshold?

The Vice-Chair (Mr. Garfield Dunlop): Let her answer the question.

Hon. Sandra Pupatello: They asked us to lower these thresholds because small and medium-sized companies weren't in a position to sign a contract of a value of \$50 million. That wasn't their reality. What we wanted to do was respond to small and medium-sized businesses, something frankly that the Conservative Party purports to support, but it clearly doesn't support initiatives that are actually meant to help small and medium enterprises in Ontario.

Mr. John O'Toole: Jim Flaherty's fault? It's somebody else's fault.

Hon. Sandra Pupatello: I think it's really important to note that we have a number of flourishing sectors in this province. ICT is absolutely one of them. We are seeing tremendous growth. In meeting with companies about their expansion efforts in Ontario, they tell us very clearly that the number one reason they're expanding in Ontario is because of our workforce. That workforce, whether it's from Dell or others, which has been enhanced by training dollars that the Ontario government has supplied, means that those people are available with a higher skill set than before they had that training. That's important, because we believe that all the people at Dell will be absorbed by a growing ICT sector—a better workforce because the Ontario government comes in to support with great training dollars. Thank you, Chair.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister, and all the staff this morning. We'll adjourn at this point. When we come back, the official opposition will have eight minutes, and we'll be back here around 4 o'clock this afternoon.

The committee recessed from 1040 to 1611.

The Vice-Chair (Mr. Garfield Dunlop): Good afternoon, Madam Minister. We'll call the meeting back to order. We're here to resume consideration of the estimates of the Ministry of Economic Development and Trade. There's a total of two hours and five minutes remaining. When the committee was adjourned, the official opposition had eight minutes left in its 20-minute rotation.

I'd like to welcome the minister and everyone back this afternoon and all the ministry staff. Are you ready, Minister, to start taking questions?

Mr. Ted Chudleigh: You can start with me, Minister.

The Vice-Chair (Mr. Garfield Dunlop): We have eight minutes left with the official opposition—

Hon. Sandra Pupatello: Not only am I ready, I'm excited.

The Vice-Chair (Mr. Garfield Dunlop): Okay. That's good. Mr. Chudleigh, you can ask the first question then.

Mr. Ted Chudleigh: Prior to the break, I read out five questions that I'd like the answers to, and if we could add some questions to that, I have five or six more.

My sixth question is: Can you list the programs and institutions that have received funding since 2004 through strategic skills investment and indicate the respective amounts that have flowed to date? How many students have completed programs funded by the SSI, and how do you track graduates to ensure the efficiency of the program?

Question 7: Can you provide a list of all recipients of funding through strategic manufacturing investment and describe the purpose and amounts of each?

Question 8: Can you provide a list of all recipients of funding through the large-scale strategic investment fund and describe the purpose and amounts of each?

Question 9: Can you provide a list of all recipients of funding through the advanced manufacturing investment strategy and describe the purpose and amounts of each?

Question 10: Can you provide a list of projects undertaken through the GO North program since 2004 and indicate the costs of each project?

Question 11: Can you provide a list of advertising or marketing consultants contracted by the ministry for the years 2006-07 and 2007-08 and the projects for which they were hired and the costs of their respective services?

I would submit that list of questions to the—

Hon. Sandra Pupatello: I think all of that information we will collect for you because I think all of it is available on our website. All of it has been a function of a press release at some time or another.

The Vice-Chair (Mr. Garfield Dunlop): Okay.

Hon. Sandra Pupatello: Either he can get it himself from the website or from press releases, or we can collect it for him and turn it over to him.

The Vice-Chair (Mr. Garfield Dunlop): If you could collect it for him, I think that's what his request is.

Mr. Ted Chudleigh: We've scoured your website. I think we've done a fairly efficient job in looking for those answers, and we've been unable to come up with answers for those questions. If you could supply those to us, we'd be eternally grateful, as the taxpayers of Ontario would be, I'm sure.

The Vice-Chair (Mr. Garfield Dunlop): Okay.

Mr. Chudleigh still has the floor.

Mr. Ted Chudleigh: Did you have something that's going to bring down the government tomorrow?

Mr. John O'Toole: No. My goal here is to bring transparency and openness to the people of Ontario. But the key here is—

The Vice-Chair (Mr. Garfield Dunlop): Are you asking a question of the minister?

Mr. John O'Toole: Yes, I have a question. It's just a general follow-up to Mr. Chudleigh's line. There was a series of programs in the FOI that Mr. Miller had tabled this morning—and I thank the staff for providing the work. It's very useful and timely. I'm sure you don't think it's timely; it could have been provided tomorrow or the next day when you were done. Maybe you could mention that to staff; maybe you have. But if you could tell us where in those two programs there were commitments to jobs retained or jobs created and where we are

in the programs. I'm finding out today because Ted Arnott mentioned in his statement today that Linamar and Skyjack, one of the companies that was on two of those programs for funding, just laid people off too. The strategy seems to be in serious trouble. So if you could respond in a general sense to the programs, the commitments and an update. That's what Mr. Miller was trying to get to. You'll have to live with your own reports, but I think it would be very forthcoming, given the time, so that we're not left with nothing to go forward and find some—do you follow me on that? We're not trying to trap you here in a meeting. We're just saying that you've committed this amount of money and they're in process. Where are we short in the commitments?

Hon. Sandra Pupatello: It's really important to note that the information that was released through the freedom of information, which became a function of the questions that Mr. Miller was asking, all of that information that you received, is available in the public domain. All of that information was a function of a press release that went out etc. So while I recognize that there's a sense that there's some contractual secret information, the truth is that every time an announcement was made, it would say, "This is a number for the creation or retention of this number of jobs." What was supplied today in response to questions that we've had is exactly that information.

Mr. John O'Toole: In fairness, though, Minister, I think the point was that when you were first asked, which was last week, you said you couldn't divulge it. That's really the nub of the whole issue here.

Hon. Sandra Pupatello: You'll call it that. I will tell you.

Mr. John O'Toole: Now you're more than forthright. You're almost making it so plentiful that it's confusing.

Hon. Sandra Pupatello: Let me answer that. In fairness, what we've been prepared to say is that everything that is on record today is what was put in there. Information that is not going to be in the public domain—

Mr. John O'Toole: So there's something more, then.

Hon. Sandra Pupatello: Absolutely, there is.

Mr. John O'Toole: You're suggesting now that there's more to it.

Hon. Sandra Pupatello: Let me finish my answer.

Mr. John O'Toole: This is very important. The margin of difference here—

Hon. Sandra Pupatello: Sorry, Chair, if I could: Am I going to finish my response here?

The Vice-Chair (Mr. Garfield Dunlop): Mr. O'Toole, if I could have the minister finish her statement, then you can continue. I'm sorry; we're just getting an overlap of conversation here.

Hon. Sandra Pupatello: I think I've said a number of times, and I know there are some members who have been a part of a government before where there is a requirement in dealing with the private sector, that we say to them there will be information that will be confidential around the productivity levels, around innovation, around the technologies, the inference that a certain level of

productivity gained by virtue of a technology is going to result in however many person hours at the site etc. We would not release that information in an FOI request, nor has it been. What is out there and what you received is a collection of information that has been a function of our press releases all along, so there's nothing secretive about that. Clearly, the automotive investment strategy is a function of jobs. Given what's happening in the automotive industry around the world, the reality is that Ontario is getting an investment the likes of which no other jurisdiction is receiving.

Mr. John O'Toole: No—and I think the dialogue that we're having right now is quite beneficial, because from our perspective—and you've sat here on this side and probably should still be sitting on this side. But you said that you couldn't provide it. What we've got now is almost a plethora, too much, and you're saying it's available in the public domain. The best way to hide something is to put a whole bunch of stuff out there. I'm not saying you are hiding it or putting a lot out there. But to sort it out: The sorting out becomes a new job. There was nothing at once. Now there's too much.

I'm reporting now on a couple of articles in the paper just to bring clarity to this. A good article in the Toronto Star, which is usually quite friendly to the Liberals—we call it the Liberal briefing notes. The auto industry since 2002-03 has shed 36,000 jobs. That's more cars than Fiat will build if they come here. I think it's important, when you look through there, and they break it down here, from when you were elected, and the numbers are kind of positively sloped; in other words, going up. So, hopefully some of the questions that Mr. Chudleigh asked, and some of the suggestions that Mr. Miller will ask about, will show you the way to improving the Ontario economy. What's the best hope in the future, in the near term? 1620

The Vice-Chair (Mr. Garfield Dunlop): You've got to clean this up in a minute.

Mr. John O'Toole: Yes—in the near term. The auto—you've kind of thrown that overboard a bit. What's the near-term hope? What are you hoping for next? What's the next good news announcement?

Hon. Sandra Pupatello: Ontario is the best place in the world to make cars. That will always be the case. We are going to continue to fight for every opportunity to bring production of the automobile, its parts, its tool, die and mould sector, to Ontario. That has not changed.

Moreover, we are more aggressive than we've ever been to make sure we are on a full-court press, as you've seen in the various articles that you do read, I see. They've also suggested that that's in fact the case. We are extremely hopeful.

We know this year is going to be a very tough year. It is largely based on US sales faltering. We know that. We also know that all of the analysts on the American side are suggesting that, after 2008, those sales numbers will increase. Ontario needs to be prepared for that.

We need to be prepared with great flex lines, which are now available at both the Oshawa and the Brampton

sites. The flex lines at Chrysler in Windsor, the new paint shop in Windsor—highly efficient, low on emissions. There's virtually zero emissions out of that paint shop. This is the kind of innovation that we are busy having companies invest in.

When those sales start picking up, and they will, Ontario will be ready for that. We will be back in the game again when it comes to our automotive-related manufacturing.

We believe that this would simply not have happened had the Ontario government not come to the table as a partner. Back in 2003, when we became a government, we said, "We will help this product come to Ontario." We know there are tough times, but frankly, when times are tough, that's when you need a partner in the Ontario government.

That's why we are asking for a partner in the federal government. We got it back in 2003, 2004, 2005 and we've lost it since then. We want our federal partner back. We are in the business of making great cars. We will continue to be in that premier position in North America.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister. On that cycle, we're over to the third party.

Mr. Lou Rinaldi: On a point of order, Chair: In light of the time constraints that you've mentioned, and I know we want to finish this up—at least I hope we finish the ministry today—we're prepared to forgo one round of our rotation to make that happen.

The Vice-Chair (Mr. Garfield Dunlop): Okay. If that's the case, we'll finish up at 6 o'clock, then. Thank you very much for that. Is that okay with the minister and everyone? You're ready to give up that rotation next time around? That will let us finish at—

Hon. Sandra Pupatello: Does that give me 20 minutes less to talk about the benefits of investing in Ontario?

The Vice-Chair (Mr. Garfield Dunlop): We can bring you back tomorrow, if you want.

Hon. Sandra Pupatello: I'm not sure if I'm in favour of that.

The Vice-Chair (Mr. Garfield Dunlop): Would you like to come back tomorrow? We'd like to have you and Michael Bryant on the same day.

Hon. Sandra Pupatello: Oh, you're going to have a good day on a day like that.

The Vice-Chair (Mr. Garfield Dunlop): Okay, thanks very much for that. Now we'll go to the third party.

Mr. Paul Miller: Good afternoon. The response that the former speaker got about the availability of information—I would have to question. I firmly believe that the tune has changed since yesterday.

I'd like to return to the five larger contracts that your ministry signed with various auto and truck manufacturers and follow up on a few details we didn't have time to pursue this morning. According to the FOI document, General Motors' share of the Beacon project is

approximately \$175 million, of which just over \$117 million had flowed by last February 8. The FOI documents say they committed to creating 900 jobs.

Here are my questions with respect to this contract. Are there any interim job targets in the Beacon contract for dates before the end of the contract?

Hon. Sandra Pupatello: I'm sorry—are there any dates?

Mr. Paul Miller: Are there any interim job targets in the Beacon contract for dates before the end of the contract? You told me earlier that this was based on the whole contract and they had to make a commitment by the end of the contract. I'm asking you, if you've given out \$117 million as of February 8—and I don't know how much has been given out since—are there any interim job targets in the Beacon contract? In other words, in the first year or two years, were there supposed to be so many jobs retained?

Hon. Sandra Pupatello: The initial discussion with General Motors, I think the number—it actually begins in 2004. There is always a floor that's been identified. All of that has been met by General Motors. It continues to be met by General Motors. As I said earlier, General Motors is not in breach of its contract.

What is important is that, while there's a job number, a global number, as the floor, there are other criteria involved in the formula when we negotiate with General Motors. What's important is that the significant part of the contract is that we chase a product that goes to a specific plant. In addition to that floor, there are other criteria that formulate the whole contract. General Motors is not in breach of any contract.

Mr. Paul Miller: So that would be a yes to that question? That's a yes, or a maybe, depending on the other criteria?

Hon. Sandra Pupatello: There is a floor of total job numbers that General Motors has not breached.

Mr. Paul Miller: So that is a yes or no? Yes or no?

Hon. Sandra Pupatello: There's a floor that General Motors has not breached.

Mr. Paul Miller: So I'm not getting an answer. Okay.

If they only have to meet their job commitments by the end of the contract, what is the exact start date of the Beacon contract and the exact end date?

Hon. Sandra Pupatello: The contract start is in the year 2004, and I believe it ends in 2010 or 2012.

Mr. Paul Miller: Thank you. Do you believe that with the 2,000 layoffs announced at Oshawa in the past few months alone, they will meet their job targets?

Hon. Sandra Pupatello: Yes. I have every confidence that General Motors will meet—I also have to correct the record.

When General Motors made an announcement of 1,200 layoffs several months ago—they're obligated by their CAW contract to release it months in advance of that actually happening. When it actually transpired, that number was whittled down to 400. That's why I say that the numbers that you continue to accumulate are, in fact, all inaccurate because you go by the number initially

announced, which is not the number that actually transpired. The layoff went from 1,200 down to 400. Likewise, the 900 that was released as information last week for that truck line was 900, as a requirement by their CAW contract for notification early, but doesn't take effect until this coming September, at which time I am hopeful that that number will not be 900 but will be less.

Mr. Paul Miller: If they don't hit those targets, is there any mechanism in the contract to claw back part or all the money that has flowed to them?

Hon. Sandra Pupatello: Our contract has clawback provisions for all of the assemblers that we've been talking to. They're well aware of clawback provisions; they're well aware of targets that have to be met in the contract.

Mr. Paul Miller: Are they being enforced?

Hon. Sandra Pupatello: All of our contracts are being enforced. We have a very rigorous audit system that is in place as we continue to pay out our portion of their investment.

Mr. Paul Miller: Thank you. According to the FOI document, Ford will receive \$100 million for its Centennial project, of which just over \$90 million had flowed by February 8. The FOI document says that they committed to retaining 4,000 jobs. Once again, are there any interim job targets in the Ford contract for dates before the end of the contract? If yes, what are those dates?

Hon. Sandra Pupatello: Ford Motor Co. is meeting all of the qualifiers of the contract that they signed with the Ontario government. Ford is well aware of clawback provisions. They have not required that; they are meeting them. In fact, I know that you are probably very supportive of the announcement that they made recently, which was stepping away from their way-forward plan and reinvesting in Essex engine plant in Windsor—in fact, reopening that plant. It would be a much larger reopening if we had the federal government on board, and we're very hopeful that—

Mr. Paul Miller: So Minister, that would be the 300 jobs that you had been talking about earlier in the month. It's my understanding that that plant formerly employed 900, so it would be—

Hon. Sandra Pupatello: And was scheduled to close and is now reopened.

Mr. Paul Miller: Right, okay.

If they only have to meet their job commitments by the end of the contract, what is the exact start date of the Ford contract and what is the exact end date of their contract?

Hon. Sandra Pupatello: I'll get you that information. I'm just going by memory, but it's about 2004 or 2005 and it's going to head out to about 2012.

Mr. Paul Miller: Thank you. Do you believe that, once again, the 2,000 layoffs announced by Ford in the past year—that they will meet their job targets?

Hon. Sandra Pupatello: I'm very confident that Ford will do very well in their contract with the Ontario government.

Mr. Paul Miller: So that's a yes, they will meet their targets?

Hon. Sandra Pupatello: I'm confident that they'll meet their targets. In fact, Ford is well aware of any clawback provisions that exist in our contract.

Mr. Paul Miller: And once again, if they don't hit those targets, is there any mechanism in the contract to claw back the money that you've given them?

Hon. Sandra Pupatello: Just let me be clear. All of our contracts have a clawback provision, and Ford is well aware. As we are doling out the money as they're making investments, there's a very rigorous audit process that confirms all of their investments, which is the only way that they can access our portion of each of their investments. In fact, they're well within their contract, and we anticipate that Ford will do very well in Ontario.

Mr. Paul Miller: I wish I could share your optimism. According to the FOI document, DaimlerChrysler will receive \$76.8 million for expansion at their Bramalea and Windsor projects, of which just over \$35 million had flowed by last February. The document says that they committed to retain 5,200 jobs. Are there any interim job targets in the Chrysler contract for dates before the end of the contract?

1630

Hon. Sandra Pupatello: The contracts with all of our assemblers are very similar in nature, in that there would be a general floor that we want them to meet. They select an average over the course of about 10 years. Chrysler is doing very well with their contract with the Ontario government. In fact, they have done some tremendous work to the extent that, as I mentioned, I know you would be very happy to see such a successful launch of the Challenger on Thursday, right here in the Brampton plant, the very one you refer to.

Mr. Paul Miller: Do you believe, Minister, that with the 1,000 layoffs announced by Chrysler in the past couple of years, that they will meet their job targets?

Hon. Sandra Pupatello: I am very confident that Chrysler is going to do very well in Ontario. I appreciate that it's the opposition's role to continue to hammer on the negativity, but people can do that all by themselves, quite frankly. We need people who represent the government who are prepared to talk about the good things that are going on in the automotive sector. Chrysler Canada is a success story. It has been through trials and tribulations over its decades of existence. Chrysler Canada makes a great car, and we are happy to have partnered with them to do that.

Mr. Paul Miller: Through the Chair to the minister, thank you for that lesson, Minister, on my negativity and how I should be more positive and think like you do.

Hon. Sandra Pupatello: Thank you.

Mr. Paul Miller: Unfortunately, the numbers don't speak for that.

Anyway, according to the document, Linamar—and I hope I said that correctly today—will receive \$44.5 million from your ministry for expansion at its Guelph facilities, of which just over \$13 million has flowed by

February 8. This document says they committed to create 3,000 jobs. Are there any interim job targets in the Linamar contract for dates before the end of the contract?

I hate to reiterate, but it is our job as the opposition to ask these questions, because hundreds of thousands of our constituents rely on these jobs. So we're looking for some commitment from the ministry. We're also looking for commitment from the minister to assure us that the phone calls we've been getting in our constituency offices about job losses and fears out there—Minister, I will not apologize for asking these questions. They're important to the people of Ontario. You may not like to hear it over and over again, but as I pointed out earlier, this information, which I couldn't get before, is very important.

So, could you answer about the Linamar situation?

Hon. Sandra Pupatello: Just to be clear, all of this information has been in the public domain.

Mr. Paul Miller: Why couldn't I get it?

Hon. Sandra Pupatello: I think you're actually my critic. Are you not the economic development critic?

Mr. Paul Miller: You don't know that, Minister?

Hon. Sandra Pupatello: I'm not sure, actually.

Mr. Paul Miller: Yes, I'm your critic.

Hon. Sandra Pupatello: In which case, when I was the critic, for far too many years, I have to tell you that it was a role of my office to collect every single thing that came out of the ministry that I was the critic for. There should be a dossier in every AMIS application that has been public, every single OAIS program, because as critic, it would all be there—

Mr. Paul Miller: Once again, Mr. Chair, the minister is lecturing me on what I should do in my office.

Why did we have to go through freedom of information to get this information? If it's so readily available, as the minister says—she's indicating that my office and my people aren't doing their job. Thank God they did a good job, Minister, because they got me information that you wouldn't tell me. Thank you very much.

Hon. Sandra Pupatello: Actually, the information that you received is from public documents.

Mr. Paul Miller: Moving on to the next question, according to the FOI document, International Truck and Navistar will receive \$32 million from your ministry for skills training at Navistar's Chatham facilities, of which just over \$18 million had flowed by February 8. This document says they committed to retaining 525 jobs. Are there any interim job targets in the Navistar contract, once again, for dates before the end of the contract?

Hon. Sandra Pupatello: I can tell you, once again, that the information, which is very public in terms of how well that program is going, is readily available to the public. Importantly, the constituents who are worried about these programs want to see their success. So I will be sure to remind people that members of the opposition parties did not support these programs. In fact, they voted against every initiative that we've moved forward that actually landed these jobs in these areas—

Mr. Paul Miller: I don't believe that was the question, how our parties voted. The reason our parties voted that way was because it wasn't enough, it was insufficient. That's why they voted against it.

My next question: Minister, as you know, legislative research managed to obtain Statistics Canada labour force survey estimates from October 2003 to March 2008. I want to thank the research staff for their hard work. The data shows the degree to which Ontario has lost manufacturing jobs during the McGuinty Liberal government's time in office. Minister, all but one community listed in that table recorded manufacturing job losses at double-digit per cent levels. You have spoken at this committee for the last couple of days about your successes, but Minister, the numbers speak for themselves.

Hon. Sandra Pupatello: I think it's important that the number that this particular member should keep in mind is 458,000, and that is the total net new jobs in the province of Ontario. That's a number we're very proud of. We also recognize the challenges that we face in the manufacturing sector. That's exactly why this government has come out in a very aggressive fashion with programming to specifically address the manufacturing sector, to help it enhance and diversify its customer base, to look how it can be more creative, more flexible, more productive. All of those initiatives were voted against by the opposition parties. So just when—

Mr. Paul Miller: Mr. Chairman, once again we're getting off the level of questioning. I appreciate the minister telling me about the 417,000 jobs—

Hon. Sandra Pupatello: Fifty-eight thousand.

Mr. Paul Miller: Sorry, I stand corrected—458,000 jobs created. Of course, we're not talking about the 230,000 manufacturing jobs lost. The minister isn't saying what types of jobs have been created. A lot of them may be low-paying jobs. I know for a fact that in my city, Minister, there are thousands and thousands of trained people—and you're spending a lot of money training people—thousands of trained craftsmen and tradesmen who can't get work in our steel industry. There has been absolutely nothing created in Hamilton in the way of new manufacturing. We've lost hundreds—hundreds—of plants: small secondary industries and major plants in the Hamilton-Niagara region. So I don't know where these 417,000 jobs come from and the success stories, because it sure isn't west of Burlington.

The Vice-Chair (Mr. Garfield Dunlop): You have five more minutes.

Mr. Paul Miller: Okay, thank you. My community of Hamilton shed almost one third of its manufacturing workforce, a decrease of 25,000 manufacturing jobs. Oshawa lost 28%, or 10,000 jobs; London, 19%. Minister, what do these numbers say about your record as Minister of Economic Development and Trade?

Hon. Sandra Pupatello: I think I have to say again that a very key number that this particular member should know is 3,000; 3,000 is the number of people who are still employed at US Steel, formerly known as Stelco in Hamilton, only because the Ontario government came

forward to save their pension package, and thus the company was allowed to flourish. I have to say that people in Hamilton appreciated the fact that this government would come forward to help. That initiative was voted against by both the Conservative Party and the NDP, something we'll be sure to remind the people in Hamilton when it comes time to do so.

Mr. Paul Miller: Mr. Chairman, I'm absolutely delighted that the minister brought up Stelco—right down my alley. Thank you very much. In 1975, we had 13,200 hourly employees at Hilton Works in Hamilton. We have less than 2,000 now. So I don't know what jobs you're talking about.

Saving Stelco? The only thing that saved Stelco was the fact that the government helped out with the pension plan, but it also made it more attractive for the buyers. The buyer was US Steel, which bought it for \$1.2 billion. But Mr. Rodney Mott, CEO, personally walked away with \$68 million in his pocket. So if that's a success story, I'm not quite sure.

In our pension plan in Hilton Works, \$150 million or \$200 million went into our fund only because we were in court for over two years under the CCAA. We had to fight every inch of the way; otherwise our pension would have been in big trouble.

Hon. Sandra Pupatello: Mr. Chair, can I give a response to this? I have to say that I think it's important that we always look at what would have been. The reality is, we have Stelco in the form of US Steel in Hamilton, and it simply wouldn't be here today if our government hadn't stepped forward. Opposition parties opposed our manoeuvres, but in fact it's there—

Mr. Paul Miller: Actually, Mr. Chair—

The Vice-Chair (Mr. Garfield Dunlop): Let her finish, then I'll go right back to you.

Mr. Paul Miller: But it's incorrect information.

Hon. Sandra Pupatello: —and I think it's important that Hamilton folks know the level of support that the Ontario government has come forward with for the Hamilton region.

Mr. Paul Miller: Mr. Chairman, I'd like to—

The Vice-Chair (Mr. Garfield Dunlop): Okay.

Hon. Sandra Pupatello: Think, in this globalization, of the number of sectors affected in Hamilton, what it would be like if they didn't have a proactive government prepared to invest in Hamilton and that will continue to do so.

Mr. Paul Miller: Mr. Chairman—

The Vice-Chair (Mr. Garfield Dunlop): Okay, Mr. Miller. Let's bring some order here.

Mr. Paul Miller: With all due respect, Mr. Chairman—

Hon. Sandra Pupatello: I'm finished.

Mr. Paul Miller: —it's incorrect information she's telling.

I'd like to say that there were four companies circling Stelco: Severstal, Mittal, US Steel; all big, huge conglomerates that were circling. So it wasn't just the government that saved Stelco. That company would have

been salvaged and saved; it's just a matter of when and where. It's almost comical that the minister could—an advanced plant like that: We have some of the best Z-line and galvanized lines in the world, and they were not going to let those go under. So let's not talk about steel, because that's the area I know.

Minister, what is so striking about these new job losses is that manufacturing in all parts of Ontario, not just our hometowns, is getting hit. Thunder Bay lost 41% of its manufacturing jobs, Kingston dropped 12%, and Toronto, the city many think of as permanently golden, lost 17%. Minister, in Toronto, that corresponds to 80,000 manufacturing jobs. Do you agree that manufacturing job losses as big as these represent a strategic failure by your ministry?

1640

Hon. Sandra Pupatello: How much time do I have?

The Vice-Chair (Mr. Garfield Dunlop): You have about two and a half minutes now to respond to this.

Hon. Sandra Pupatello: Thank you. I think it's really important to note the number of initiatives this government has come forward with, especially in these challenging times. Remember that Ontario has not seen a significant lineup of—the price of a barrel of oil hitting \$124; that we have the strongest dollar against the US dollar that we have had in generations, in fact since the 1970s; that we have this faltering US economy, where the lion's share of our exports goes.

Yet, in the face of all this, we have dramatic programs coming from this government in the form of tax policies to help companies and their pocketbook today, through the form of business tax policies, which both opposition parties voted against even though it was cash in hand for companies that so desperately need it. In addition, we have come forward with an advanced manufacturing strategy, a fund that helps our companies move to an advanced level of manufacturing, something the emerging countries aren't in a position to compete against.

We know that's what we have to do—keep ratcheting up the level of manufacturing that we can deliver on in this province, and that's what we're doing—another initiative that both opposition parties voted against. In fact, every mechanism that we've come forward with—

Mr. Paul Miller: My last question, Mr. Chairman—can I ask the last question?

Hon. Sandra Pupatello: —the Next Generation of Jobs Fund as well, a 15% partnership with these massive investments that line up with manufacturing—

Mr. Paul Miller: There goes my time again.

Hon. Sandra Pupatello: —as well as our climate change agenda, another initiative that every opposition member voted against.

The Vice-Chair (Mr. Garfield Dunlop): The minister will get one last quick question in here.

Hon. Sandra Pupatello: Thank you, and I think it's important that we get an opportunity to respond. It's simple inaccuracies—

The Vice-Chair (Mr. Garfield Dunlop): I think you said this before.

Hon. Sandra Papatello: —by opposition members.

Mr. Paul Miller: Can we get back to the last question now?

The Vice-Chair (Mr. Garfield Dunlop): Let's have one quick question and one quick response.

Mr. Paul Miller: Maybe the deputy could answer my FOI questions that I asked earlier. I'm sure he kept track of them. Maybe you could help me with some numbers.

Mr. Fareed Amin: Can you repeat the question, Mr. Miller?

Hon. Sandra Papatello: How much time is there remaining, Chair?

The Vice-Chair (Mr. Garfield Dunlop): We're just down to this response here.

Mr. Paul Miller: On General Motors, the questions were the interim job targets and the Beacon contract: How many jobs have been retained during that period, and are there any targets for saving jobs during that period?

The Vice-Chair (Mr. Garfield Dunlop): If you can wrap this up in about a minute.

Mr. Fareed Amin: As the minister indicated, all our contracts have job targets and investment levels, and we do monitor these on an ongoing basis to make sure the company is meeting all its obligations under the terms and conditions of the contract.

Mr. Paul Miller: Are they readily available on the site, like everything else was?

Mr. Fareed Amin: The information on—

Mr. Paul Miller: On job targets and whether or not they're retaining the jobs.

Mr. Fareed Amin: We continue to provide information regarding some of the—we can't, of course, provide all the information that we have in the terms and conditions of the agreement because some of this information is proprietary and some of this information also is commercially sensitive.

Mr. Paul Miller: —information on retaining jobs.

The Vice-Chair (Mr. Garfield Dunlop): You can on your next rotation, then, Mr. Miller.

Mr. Paul Miller: Thank you.

The Vice-Chair (Mr. Garfield Dunlop): Okay. We'll go to Mr. Chudleigh now. The government has waived their time on this particular round.

Mr. Ted Chudleigh: Thank you, Mr. Chair. Minister, in July 2007, workers at Koolatron were laid off despite a \$2.43-million AMIS loan that went through. I think you were at that plant when that money was handed over for the—

Mr. John O'Toole: Sure. It was a photo op.

Mr. Ted Chudleigh: Excuse me, Mr. O'Toole. Yes, there was a photo op involved. I wonder if you could tell me how much money flowed at the time of that announcement. Did the entire \$2.34 million flow or did some other part of that money flow?

Hon. Sandra Papatello: I'm not aware of that information today, but we'll endeavour to get that for you.

Mr. Ted Chudleigh: You were at the photo op, Minister. Do you not remember that?

Hon. Sandra Papatello: Even if we had made the announcement, that meant the clock started and investments started happening. So in fact there likely would have been, by this point, some level flowing, but likewise, it's a five-year program. There's an obligation by the company over the course of five years. So at this moment I can't tell you the status of that particular \$2.5 million, how much went out the door in exchange for what activity on the company's part, but if that information can be made available to you, it will be.

Mr. Ted Chudleigh: Did the government recover any of that money? I don't imagine you know that: Any of the money that did flow, did you recover any? The company went bankrupt about two months after you gave them the money. Would there be an opportunity to recover any of those taxpayers' dollars?

Hon. Sandra Papatello: I'm not going to comment on the status of the company today.

Mr. Ted Chudleigh: Would you endeavour to get me the information as to whether any of that money was recovered?

Hon. Sandra Papatello: I'm not going to indicate that there is any veracity to what you're saying today regarding the company, and it would be really imprudent of me to make a comment.

Mr. Ted Chudleigh: Okay. What other companies or projects that have received AMIS loans have gone bankrupt?

Hon. Sandra Papatello: I'm not aware of any that have.

Mr. Ted Chudleigh: Is your deputy aware?

Mr. Fareed Amin: I'm not aware of any company that received an AMIS loan and is now bankrupt.

Mr. Ted Chudleigh: Can you tell me how much money in the AMIS program has been lost to date?

Hon. Sandra Papatello: There has been no money that's been lost out of the AMIS program.

Mr. Ted Chudleigh: I think some was lost to Koolatron, with very poor results. You would disagree with that?

Hon. Sandra Papatello: No, I think that's inaccurate, but again, I don't want to comment because there are some statements that you made today that I don't believe are accurate, so I'm not going to respond to them. Again, I'll try to see what information we can make available to you.

Mr. Ted Chudleigh: Thank you. I'd appreciate that.

Let's go to the GO North program. Can you tell me how much funding the GO North program has from your ministry?

Hon. Sandra Papatello: I think it's available on the estimates page that you should have there. Yes, I've got it now. Sorry, what are you asking me regarding GO North?

Mr. Ted Chudleigh: How much money is available for funding in this program.

Hon. Sandra Papatello: Just give us a moment to flip to the right tab, and I'll ask my CFO to answer that—David Clifford.

Mr. David Clifford: Four point seven million.

The Vice-Chair (Mr. Garfield Dunlop): Would you indicate your name, please?

Mr. David Clifford: David Clifford.

Mr. Ted Chudleigh: I'm sorry, that number was?

Mr. David Clifford: The budget for the new year is \$4.7 million.

Mr. Ted Chudleigh: Four point seven million?

Mr. David Clifford: Correct.

Mr. Ted Chudleigh: Thank you. Can you tell me exactly what GO North does or intends to do?

Hon. Sandra Papatello: It builds awareness of investment opportunities and capabilities in northern Ontario, obviously with a mind to attracting investment, via an integrated marketing campaign, lead generation, international representation and sales prospecting. This is an initiative that MEDT, our ministry, works very closely with MNDM on. For example, a number of initiatives would be launched by the Ministry of Northern Development and Mines, and their budget would reflect this. They work very closely with MEDT. They would do joint missions, for example. They would take mining missions to different parts of the world like South America, where 60% of all the mining done in South America is done by Canadian companies, the lion's share of which are from Ontario—a very successful mission led by MEDT staff and MNDM staff. This kind of program, like GO North, is very much a part of building awareness of what is available for companies around the world to come and invest in the north.

Mr. Ted Chudleigh: In 2006-07, how much of that budget was spent?

Hon. Sandra Papatello: We can try to get that information. I don't know if that's available, the 2006-07.

Mr. David Clifford: We don't have it here with us.

Hon. Sandra Papatello: It wouldn't be part of the estimates tabled today. We can certainly try to get that for you.

Mr. Ted Chudleigh: I'd like to know how much of that budget was spent—I believe it was very little—and what happened to the rest of the money that was in that budget. That's the purpose of my question.

Hon. Sandra Papatello: The estimates would reflect the 2007-08 year. We can try to get that data for you. It wouldn't be a function of this year's estimates.

Mr. Ted Chudleigh: It's the 2006-07 budget year, when a very low percentage of the budget was spent, and I'd like to know what happened to the rest of the money.

The Vice-Chair (Mr. Garfield Dunlop): The 2006-07?

Mr. Ted Chudleigh: The 2006-07 budget year, yes.

The Vice-Chair (Mr. Garfield Dunlop): Okay.

Mr. Ted Chudleigh: What is the process by which ad marketing contracts are tendered in this program?

Hon. Sandra Papatello: In the GO North program?

Mr. Ted Chudleigh: Yes.

Hon. Sandra Papatello: I wouldn't know that level of detail, but let me see if I've got somebody here. Bill,

would that be you, or David? David, are you comfortable with that?

Mr. David Clifford: We undertake competitive procurement processes at all times unless there are some extenuating circumstances. I can tell you that that's the approach we take to all procurement within the ministry.

Mr. Ted Chudleigh: Is there a minimal level of funding that that would attract? If you have a \$1,000 project, it's perhaps not tendered, but is there some level at which tendering begins?

Mr. David Clifford: The ministry does have a delegation of authority that sets out approval levels that are required for different levels if a single-source procurement is undertaken. The answer to your question is, yes, there are different approval levels, depending on the size of the procurement.

Mr. Ted Chudleigh: Do you know what that level is?

Mr. David Clifford: The lowest level is \$25,000.

Mr. Ted Chudleigh: Do you monitor this program to see how many jobs have been created in the north since GO North was initiated or as a direct result of this program?

1650

Hon. Sandra Papatello: We can see what kind of data is available, but that kind of data collection would likely be a function of MNDM more so than MEDT. Just because we work so closely on all these initiatives, it's usually an integrated approach with MNDM, and they have a significant amount of data that will probably get you the info that you want.

Mr. Ted Chudleigh: It's a line item in your budget. I would expect that you would have some ability to monitor this program to see if it was being successful or not and as to whether or not there were actual jobs created in the north, which we know for a number of reasons has been decimated, particularly in the forest industry.

As a publicity program which you say includes Web and interactive components—and let me say that we've been on the Web trying to ascertain the activities that go on in this program. GO North is incredibly hard to find on the Internet. Why is this program so invisible? Is it directly marketed to one phase of the industry and not to the public in general? It's very difficult to get any information regarding this program.

Hon. Sandra Papatello: There has been a very much focused approach to some of the marketing campaigns across MEDT, and I think that's really in respect to the way that the marketing world has changed so much over the years. This program in particular has a direct marketing campaign, for example, targeted to site selectors, which is a whole industry out there around the world but a very high-end industry that looks for very specific information on behalf of their clientele on where to invest.

So, in this regard, there's a targeted campaign to 5,300 US site selectors. So that may not be something that you would actually receive as part of the marketing campaign, but it certainly would be something that the site selector organization would get and all of them would get.

In addition, the portal that has been created through Ontario's north web portal is www.2ontario.com. There's a whole bunch of means by which we put out that address, again targeted markets for the express purpose of attracting investors. So whether that's investor-type magazines, site selector organizations or people who are in the business of investing, they would get that information to know where to go via the portal to find information regarding the north.

Mr. Ted Chudleigh: Is there a link to the ministry website for that outlet?

Hon. Sandra Pupatello: Yes, absolutely.

Mr. Ted Chudleigh: Yes, there is? Thank you.

The strategic manufacturing investment program: Can you explain briefly what the strategic manufacturing investment program is?

Hon. Sandra Pupatello: Are you asking questions related to GO North?

Mr. Ted Chudleigh: No. This is a new program.

Hon. Sandra Pupatello: Okay. Just give us a second to find our tabs. Sorry. What are you asking about now?

Mr. Ted Chudleigh: The strategic manufacturing investment program. Information on this seems to be fairly scarce as well.

Hon. Sandra Pupatello: What would you like to know? If there's information available, we'd be happy to get it to you.

Mr. Ted Chudleigh: I understand that this program supports almost exclusively, if not exclusively, Toyota and Honda investments. It's a \$41-million program. I was wondering what the program does and why it's so difficult to find. If the money simply goes to Toyota and Honda, why don't you call it the Toyota-Honda fund?

Hon. Sandra Pupatello: Likely if there were other companies involved, we'd extend the title as well, but I will endeavour to get you information about that program.

Mr. Ted Chudleigh: Again, on your website it's very difficult to determine as to what this program is, what it does and who it supports.

Again, I would ask you about a program that fits under this same ballpark, the large-scale strategic investment fund. It's a \$5-million fund, and again it's very difficult to determine what it is and who could apply for this money. I'd be very interested as to why these answers aren't public information and why it's not information available on your website. Is there a connector to the website that we don't know about?

Hon. Sandra Pupatello: This specific that you're referring to, the large-scale strategic investment fund, is a function of the last government. The Conservative government actually created that fund. When we took office, it was the precursor to the automotive investment strategy, as the line in the budget. So perhaps you could ask one of the former ministers in your government what that large strategic fund was for at that time.

Mr. Ted Chudleigh: Minister, with all due respect, this is 2008-09. It's some years past the time when you took office as the government. It's still there. It has a \$5-

million price tag attached to it. It has been there in the intervening years. How has that money been spent, and who does it support?

Hon. Sandra Pupatello: I'll try to get you that information, but again, that program was actually created by your government. It was not a program that we created. The program that we created was the next generation of that, which was the automotive investment strategy.

Mr. Ted Chudleigh: It's one that you continue to fund, Minister. If you continue to fund it, where does the money go, who can apply for it, and more specifically, why is it not more public in nature?

Hon. Sandra Pupatello: We'll get you the information on that fund.

The Vice-Chair (Mr. Garfield Dunlop): She'll endeavour to get that information for you, Mr. Chudleigh. Continue.

Mr. Ted Chudleigh: A new fund for 2008-09 is the eastern Ontario development fund, of up to \$80 million. I was wondering why the eastern Ontario development fund is not listed as a line vote. Is there something specific about this program that is different than the others?

Hon. Sandra Pupatello: We're just turning to the appropriate tab here.

As you know, the eastern Ontario development fund is a brand new fund that is just being launched today. It was a function of our platform in the last election, and now we'll be rolling it out, with all of the criteria being made available to the public so that they can apply.

Mr. Ted Chudleigh: There's a budget attached to it of up to \$80 million, and I was wondering why it is not listed as a line vote.

Hon. Sandra Pupatello: I think that's a logistics question for the budget. Let me see if David can get you that information.

Mr. David Clifford: That money has been placed in our other direct operating expenditures budget as a placeholder until we go to treasury board and get the program formally approved. At that point in time, the money will be placed in the budget where it will be required, and a large part of it will be in a transfer payment line item.

Mr. Ted Chudleigh: So it'll come through treasury board?

Mr. David Clifford: Correct. The \$5 million that is in our budget currently is not appearing in a transfer payment line yet. When we go to treasury board, the money will be moved, most of it into a transfer payment line item in our estimates.

Mr. Ted Chudleigh: Do you have any idea when those applications will begin?

Hon. Sandra Pupatello: We're in the process of identifying and preparing the criteria to be made available to the public in eastern Ontario now, so it's winding its way through all of the work for it to be launched. At that point, it will be hitting treasury board so that it'll be moved to the appropriate line.

Mr. Ted Chudleigh: I understand that this program is under development and therefore the specifics may not

be available, but do you have some idea of what the priorities of this fund might be?

Hon. Sandra Pupatello: For sure, it's going to involve eastern Ontario. It's going to be jobs-related as well. We are trying to make it as open as we can, to be as unrestrictive as we can, yet we know that there are going to be ties to, at least, the generally accepted principles around economic development for communities in those areas. We have had some pretty significant consultation with the wardens of eastern Ontario, with the local reeves and mayors' groups. One of our committee members, Lou Rinaldi, was a significant player. Jean-Marc Lalonde, my PA, who's also here, did broad consultation on the exact criteria.

The city of Ottawa proper would not be included in access to the fund; the rural areas around Ottawa would be. We would be looking for specific partnerships with industry in the applications. There might be an opportunity for consortia to come forward, but every one of them would have to have an industry partner so that we'll be able to identify the specific jobs outcome, based on that application and its implementation.

The Vice-Chair (Mr. Garfield Dunlop): You're down to three minutes, Mr. Chudleigh.

Hon. Sandra Pupatello: I could have told you a little bit more about the eastern development fund.

Mr. Ted Chudleigh: It's all right. I think I've got the gist of where you're going. I can't find any fault with the direction you're going in; let's see how the application is. I may be back next year to find fault.

1700

The procurement process: Obviously, this fund will have some outreach involved in it. Procuring that outreach process may very well involve private sector individuals. Will the same terms and conditions that the ministry generally applies apply to that program as well—there won't be any special circumstances in eastern Ontario? In other words, if a firm applies for the business to promote this and they happen to be located in London or Barrie, would they be considered for promoting this project in eastern Ontario, or would the people who are hired in order to promote this program—subcontractors, if you will—have to come from eastern Ontario as well?

Hon. Sandra Pupatello: We won't be hiring people to promote the program; we'll be using the offices of the small-business ministry that are scattered throughout eastern Ontario. In addition, we'll be using staff on the ground in the Ministry of Agriculture, Food and Rural Affairs. In addition, we have ongoing contact with the economic development commissions that are scattered throughout the municipal level in eastern Ontario. They've been involved in the program development. They too will be involved in making sure that their local businesses will have access. We will be having a restriction, for example: A company in southern or western or whatever other part of Ontario that would be considering applying in order to move into eastern Ontario—those types of applications would not be approved.

Mr. Ted Chudleigh: So there won't be any independent consultants that will be hired under the auspices of the eastern Ontario development fund; is that correct?

Hon. Sandra Pupatello: There will be no promoter or funds used for people specifically to promote the program.

Mr. Ted Chudleigh: Thank you, Minister.

The Vice-Chair (Mr. Garfield Dunlop): Do you have a quick question?

Mr. Ted Chudleigh: I have a quick question. Investment Ontario Inc. is another program that's being launched this year for 2008. I wondered if you have an idea of how many people this new agency is going to employ.

Hon. Sandra Pupatello: It's very early stages in the development of this agency, and it would be difficult to say a number at this point.

Mr. Ted Chudleigh: Do you have criteria as to how it will be held accountable for its activities to judge as to whether it has been successful or wanting?

The Vice-Chair (Mr. Garfield Dunlop): Just clean this question up quickly.

Hon. Sandra Pupatello: I beg your pardon?

Mr. Ted Chudleigh: Is there a process under which it will be judged as to how its activities take place, as to whether they're successful or not?

Hon. Sandra Pupatello: If we use a standard that exists now in EDT, for example, our international offices, with 10 around the world: Our senior economic officers make reports on a regular basis; so do the consultants that we have. It's going to be similar to that process, where there are a number of contacts that need to be made in any given month; they have to report on the number of calls, cold calls, warm calls, calls that result in further activity. They have to meet targets. Those targets are set out by the deputy, and they are compelled to meet those. I anticipate that, as we develop—it's very early days to talk about that level of specificity with the agency—we would be compelling the agency to have that same level of accountability in terms of how they're getting out around the world and selling Ontario and attracting investors.

Mr. Ted Chudleigh: Thank you, Minister.

The Vice-Chair (Mr. Garfield Dunlop): That concludes the time for the official opposition. We'll be going over next to the NDP, the third party.

Mr. John O'Toole: They're not here.

The Vice-Chair (Mr. Garfield Dunlop): They'll be right here. He's coming; he's right here.

You're up, Mr. Miller. We're down to one hour, everyone.

Mr. Paul Miller: As I stated earlier in my submission, my community of Hamilton shed almost one third of its manufacturing workforce—a decrease of 25,000 manufacturing jobs. Could the minister or the deputy minister tell me how much money they're investing in the steel industry in Hamilton and what partnerships they've struck up with the steel industry? We've talked a lot about the automotive industry, but steel is one of our

major industries in Ontario, and I want to know what kind of partnerships you've struck up. I wasn't able to find anything on the website, so I'm wondering: Is there anything you're doing in the Hamilton-Niagara region to help the steel industry, which is struggling?

Hon. Sandra Pupatello: We've got some very exciting projects across Ontario related to the advanced manufacturing investment strategy, for example. The Premier was in Hamilton, I believe it was in September, for the launch of their AMIS application, which involves an enhancement of the pulverization of coal that results in the decreased use of electricity to run their systems. It's better for the environment; it makes the plant more productive and efficient. I believe that that AMIS application was to the tune of some \$10 million on the part of the Ontario government. That leveraged an additional \$90 million being invested by the company.

The good news on that front is that this is a project that went ahead after Dofasco was taken over by a multinational, Arcelor-Mittal. That's really good news. Arcelor-Mittal considers Dofasco as a crown jewel in their fleet of steel production around the world. That bodes very well for the future of Dofasco in Hamilton.

I had an opportunity to meet with the new ownership of Dofasco. They are very, very heartened by the people they have met in Hamilton and the local leadership. They know that the door is open to have conversations with us about further investment. That's what we hope we can do with Dofasco.

With Stelco, as you know, there was a significant partnership between the Ontario government and Stelco in the securing of their pension, which was a \$150-million loan guarantee by the Ontario government back in about 2004-05, I believe. We were very, very happy to see the good relationship that we've managed to garner with US Steel, the new owner of Stelco.

We've had an opportunity to meet with the new ownership of US Steel. We are going to US Steel with an eye to putting in front of them the kinds of opportunities that they'll have to make investments at Stelco. We have talked to them specifically about AMIS, specifically about the Next Generation of Jobs Fund. We're hopeful, because US Steel is looking very keenly and very well on their Hamilton operations—so as a function of where they're going to be in the future, we're very hopeful that we are establishing a very good relationship between the Ontario government and two of our major steel companies in the province.

Mr. Paul Miller: My information is not quite as positive as yours about US Steel. There have been rumours that US Steel is thinking of pulling out. So I'm not quite sure who you were talking to, but I must compliment the minister for saying what great leadership we have in Hamilton. Thank you very much; I appreciate that.

I'd like to return to the contract discussion. I'd like to direct these questions to the deputy minister or assistant deputy ministers. The document shows that General Motors' share of the Beacon project is \$175 million, of

which just over \$117 million had flowed by last February. When was the start date of the Beacon contract? When is the end date? I'd like a date, please.

Mr. Fareed Amin: I'll have to get back to you, Mr. Miller. The start date of the contract usually begins when we make our first payment, in some cases. So I'll have to get back to you on the exact date. I can't recall exactly the day and the month.

Mr. Paul Miller: Okay. Could you tell me whether you expect GM to use the entire remaining \$60 million in this fiscal year?

Mr. Fareed Amin: We make our investments with GM and many other companies on a co-investor basis. GM, or the company, makes its investments, we do our due diligence and then we make our investment. Incrementally, our investment is contingent upon GM, and any other companies, making their investments.

Mr. Paul Miller: Thank you. Are there any interim job targets in the Beacon contract for dates before the end of the contract? If yes, what are those dates? Do you have those in front of you?

Mr. Fareed Amin: I don't have those specific dates in front of me. But just to reiterate what the minister said earlier, all our contracts contain job numbers. Our contracts also contain information on an investment level. We ensure, on an ongoing basis, that the companies comply with the investment target and the job numbers.

Mr. Paul Miller: Does the recent announcement of 2,000 layoffs affect in any way the job commitments in the Beacon project?

Hon. Sandra Pupatello: That number is inaccurate.

Mr. Paul Miller: It's the only number I have in front of me. Whether it's inaccurate or not—

Hon. Sandra Pupatello: I have to correct the record. The 1,200 that were announced last year by General Motors became 400. The 900 that were announced last week don't take effect until September, at which time we anticipate it being lower. So we're looking at a maximum of well below 1,500, potentially. They haven't taken effect yet.

Mr. Paul Miller: Mr. Chairman, my question was to the deputy. The minister's using up my time again.

The Vice-Chair (Mr. Garfield Dunlop): All right, I'll let the deputy—

Interjection.

Mr. Paul Miller: Let the deputy answer, Minister.

The Vice-Chair (Mr. Garfield Dunlop): Deputy, if you have anything more to respond to—

Hon. Sandra Pupatello: Maybe you could reiterate that for the record, Deputy.

1710

Mr. Paul Miller: How often does GM have to report back to the province on its progress in meeting its contractual commitments?

Mr. Fareed Amin: We do due diligence on an ongoing basis, but more specifically, every time there is an investment made by GM as part of a contract, we would review that investment so that we could contribute our

share of that investment. There's an ongoing process for monitoring and looking at the contracts.

Mr. Paul Miller: If they don't hit those targets, is there any mechanism to claw back the money that you give them?

Mr. Fareed Amin: There are provisions in the contract to ensure that the public interest is protected.

Mr. Paul Miller: The document shows that Ford will receive \$100 million for its Centennial project, as I stated earlier. Ninety million had flowed out by February 8. When was the start date of the Centennial contract? When is the end date? The same thing—you don't have that information?

Mr. Fareed Amin: I don't have the exact month and day, Mr. Miller, but I will endeavour to get that information to you.

Mr. Paul Miller: Thank you. Are they going to use the \$10 million in this fiscal year that's left?

Mr. Fareed Amin: Again, just to reinforce a point I made earlier, our investment is contingent in many cases on investments made by the company, so they make their investments, we do our due diligence and then we co-invest with them based on the terms and conditions in the contract. From time to time, we may not exactly meet the year-over-year investment level. That's adjusted from time to time based on a company's investment.

Mr. Paul Miller: Once again, the same would apply to DaimlerChrysler, which received \$76.8 million for expansion at their Bramalea and Windsor projects. When was the start date of their contract?

Mr. Fareed Amin: I'll get you the exact day and month. Some of this information, I should also mention, is subject to any confidentiality that might be in the agreement. I mentioned earlier that some of this information is commercially sensitive, so that's a caveat that I'd like to place before the committee. I will endeavour to get the information, subject to the agreements that we have with the company regarding our contractual obligations to them.

Mr. Paul Miller: Okay, thanks. When was the last investment GM made under the contract?

Hon. Sandra Papatello: We can try to get that information for you.

Mr. Paul Miller: When does the ministry expect the next investment to be made?

Mr. Fareed Amin: On the GM—

Mr. Paul Miller: The GM contract.

Hon. Sandra Papatello: What the company does is they make their submissions, where they provide us with invoices that go through our audit process. As the company makes their investments, they're looking for our percentage of that. It's hard to say the time frame, other than the that extent of the contract is about 10 years long. We anticipate that it will be coming in on an ongoing basis.

Mr. Paul Miller: Getting back to the steel sector, I guess I could run this question by the minister. A couple of years ago, there was some interest generated in the Hamilton area at Stelco for what they call cogeneration,

which is the use of the coke ovens to create electricity which goes into the grid. The Liberal government of the day, under Mr. Valeri, who was the representative, promised \$35 million to Stelco. When they lost the election, they didn't follow through on their commitment.

Would this government be willing to talk to US Steel about reinstating the financing for the cogeneration project in Hamilton? US Steel is struggling. I don't know what information the minister has had, but I'm getting information back from my hometown that they are struggling and there has been some talk, through good sources, that they may even think of pulling out, which would be devastating for Hamilton, because they just took over, as you know. Would the ministry be interested in talking to them about that kind of thing?

Hon. Sandra Papatello: We wouldn't be in a position to talk about the kinds of conversations we've had with both US Steel and Dofasco. I think historically, when Mr. Valeri would have been in office, there was also a different kind of production going on at both facilities at the time, and some of that has changed. That production is important because of the access to hot steam that would have been previously available and perhaps is less so. That means there's less available for the kind of generation that could be done in a cogeneration facility.

Obviously, we've had conversations with the sector about what we can do that would help them. What I was really pleased to see in the initial conversations we had with the federal government is that they could potentially—while they've talked about some large funds being made available in sort of a global commentary about the climate change agenda, we were hoping that we would get a little more detail so that we could see that. As you mentioned, Mr. Valeri—I don't know if he made a commitment to \$35 million, but if that was the case, that was probably some time ago.

We have followed up with the feds, under Minister Baird, when he arrived at environment, as to whether there would be the opportunity for the federal government to become involved in these kinds of projects, because it does seem to me that they would line up nicely with what the feds have said publicly around their interest in a climate change agenda or a plan.

I just am not in a position to speak about the conversations I've had with the companies.

Mr. Paul Miller: Maybe I could help you out, Minister, being from that area.

Actually, there's been no change in the production, as you call it, of steam. That's not the process. The coke ovens create coke. In the process, the stuff that comes off the coke ovens goes to the CBS, central boiler shop. The central boiler shop creates steam in the central boiler shop, which creates—it's still there, still operating. In fact, they're down two boilers from their normal production, because there are coke ovens—they have another permit to build another new coke oven battery in Hamilton, which would facilitate the system to allow cogeneration. They'd probably be able to keep a good portion of the city of Hamilton running and sell extra

electricity to the grid, which would help Ontario with its power problems. In fact, Dofasco has three or four batteries or coke oven production facilities that would probably also be able to go into the grid to sell electricity.

We're always saying we don't have enough electricity. Well, for a good investment, you're going to get years of electricity going to the grid. So you might want to look on that side of economic development for the province.

My next question would be in reference to, as a former speaker mentioned, the forestry sector. I'd like to talk about the town of Kenora. Kenora had two paper mills that were shut down. The biggest employer in Kenora now is the hospital. It's practically a ghost town. The lumber that was formerly sent through the paper mills is now rolling by their houses on trucks to Manitoba and Quebec. For over 100 years, it was one of the best forest baskets in North America. It has some of the best wood in North America. These people are sitting on their porches watching these trucks roll by their front yards on their way to the two provinces on either side of them. Manitoba has not lost one forestry-related job because of their hydro policy, and that ties into economic development as well.

What is your government going to do for Kenora and 11 other communities in northern Ontario that are ghost towns and that were productive for almost 80 to 100 years in the forestry industry? What are you going to do to generate those jobs back and also get our lumber industry back to the level it was pre-McGuinty?

Hon. Sandra Pupatello: Chair, I think that's a question that you probably will be referring to the MNDM, or, if it's being called to estimates, they would be submitting the information—because Kenora is a function of the north, out of the Ministry of Northern Development and Mines—via their estimates, as well as the forestry sector, through MNR.

So there are a number of ministries that will be in a very good position to give you a response. I just don't know if that, procedurally, would go through—

The Vice-Chair (Mr. Garfield Dunlop): You're saying that's not part of your mandate at all?

Hon. Sandra Pupatello: Right.

Mr. Paul Miller: So it's not part of economic development. Jobs are not part of that.

Hon. Sandra Pupatello: Yes. You should be aware that those are a function of the Ministry of Natural Resources—

The Vice-Chair (Mr. Garfield Dunlop): It may not be part of your ministry, but would you like to add anything at this point?

Hon. Sandra Pupatello: I think you would make an official request of both the Ministry of Natural Resources, with its oversight of the forestry sector, as well as the Ministry of Northern Development and Mines, which has a huge responsibility over, specifically, the region of Kenora and surrounding area. I'll leave that to you, Chair.

The Vice-Chair (Mr. Garfield Dunlop): Okay. We'll look into that.

Mr. Paul Miller: I have another question for the minister. I guess I've ragged on the car industry quite a bit, and I've touched on the steel industry and a little bit on the forest industry. Let's talk about the production of soaps and detergents.

Procter & Gamble, one of the oldest companies in North America, probably one of the greatest employers of people in North America—steady work, steady employment—after 80 years in Hamilton, pulled out its last function about two years ago from the Hamilton area and moved some of its works to the greater Toronto area. It put hundreds of people out of work in Hamilton.

We were also one of the top factory areas for cans and pop cans—American Can and Continental Can. They're gone. Our latest victim was Canam, which had 600 jobs in the auto parts industry. They've gone back to Germany and pulled out their resources and are selling the land.

1720

Minister, I can only say that from my area of the province in the last five to 10 years, we've lost 17,000 middle-income jobs in the Hamilton area. What are you doing in economic development, other than some of the things you've mentioned, which are just band-aid solutions for some of the steel sector—what are you doing in all the other types of industries we've had in Hamilton for the last 20 years? I could go through a list a mile long of companies that have left, but not one major company I know of has come into the Hamilton-Niagara region and employed more than 500 to 1,000 people in the last 15 years. Maybe you could help me.

If I recall, you did mention in one of your exchanges in the House with someone else that there was going to be good news for Hamilton. I sit here today asking the Minister of Economic Development and Trade if she could share some of that good news with the people I represent, because they're devastated. We've lost thousands of jobs.

Hon. Sandra Pupatello: How much time do I have, Chair?

The Vice-Chair (Mr. Garfield Dunlop): You're only going to have enough time to finish this answer.

Hon. Sandra Pupatello: How much time is that, Chair?

The Vice-Chair (Mr. Garfield Dunlop): About a minute and a half.

Hon. Sandra Pupatello: Thank you. I think it's important that we recognize that Procter & Gamble has a footprint right across Ontario. In fact, they have manufacturing facilities in both Brockville and Belleville.

We are always talking to companies that have an investment in Ontario today about what opportunities there are for expansion. We have the luxury of being able to go to them with some very significant programming to encourage them to invest and do more business in Ontario, and of course we're busy doing that. We speak to the leadership at Procter & Gamble on a regular basis.

I will tell you, when we look at Hamilton, that I think it's important to talk about the success of Hamilton. It's important to note that McMaster is one of the best uni-

versities in North America, and stands head and shoulders above many of its colleague universities across North America. The growth in that sector alone, between the teaching facilities for new doctors that exist in Hamilton, the kinds of research and development that is going on in the Hamilton area—we look at the BioCar or BioAuto, a lot of green—

Mr. Paul Miller: Mr. Chair, my last question for the minister—

Hon. Sandra Pupatello: Sorry, I thought I had—

Mr. Paul Miller: With all due respect, the minister is focusing on education and medicine; she's not focusing on manufacturing and job losses.

Hon. Sandra Pupatello: Mr. Chair, I understand that I have a minute and a half. I did ask in advance.

Mr. Paul Miller: The people who work in those factories aren't doctors and scientists.

The Vice-Chair (Mr. Garfield Dunlop): Mr. Miller, I did give her a minute and a half to respond. We are cleaning this up.

Hon. Sandra Pupatello: Thank you. I think it's important—

Mr. Paul Miller: With all due respect, she's not answering the question. She's focusing on education and medical.

Hon. Sandra Pupatello: This is a significant sector in Hamilton that this local member should be proud of. Research, scientists—this makes up the fabric of the very look of where we want Ontario to go. Hamilton can lead the way, and is, in so many areas. We have teaching centres that are renowned around the globe by virtue of the work they're doing.

Just as it relates to automotive research, for example, there is tremendous work going on at the McMaster site. This is what we need the world to know about. This is a great success, because the Ontario government has invested so heavily in the area of R&D as it relates to Hamilton. When we speak to the leadership out of Hamilton, they're proud of the investments we're making in their city.

Mr. Paul Miller: No, they're not.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister. That concludes the time for the NDP. Now we'll go to Mr. Rinaldi, from the Liberal caucus.

Mr. John O'Toole: I thought they gave up their time.

The Vice-Chair (Mr. Garfield Dunlop): No, they did the last time.

Mr. Lou Rinaldi: Minister, I guess one of the things, as we wrap up the day here—I think we touched a little bit on this before, but I can't stress enough that some communities in particular have been hard hit by some economic slowdowns, as you know; I guess I'm wearing my rural hat.

In rural Ontario, specifically, when there is an economic slowdown in one community, it's certainly widespread among other communities. Can you shed some light on how we're trying to address this through our last budgetary process? We talked about communities in

transition and those types of things. I wonder if you could just shed some more light on that.

Hon. Sandra Pupatello: I think that the communities in transition program is a very good place to start, in terms of what we are doing when we recognize the kinds of challenges that exist. If we were to listen just to the opposition benches, they would have us believe that just the implementation of some new corporate tax level is going to solve all the ills of the world. If we were going forward with just tax policy initiatives, we would have had significant challenges across a significant number of sectors in many, many communities across Ontario.

The reality is that we have the investments we've made, and that companies have made, in Ontario because we're able to show them the high-end nature of our education and our workforce, that we have R&D capabilities here, that we are about advanced levels of manufacturing, and that we have an expertise and skill set in Ontario that doesn't exist anywhere else in the world.

When we know we have communities that are more hard hit than others, and that face real challenges because they have, say, less diversity in their manufacturing base, we've reached out to those communities. We've gone to them and said, "We're prepared to help you. Let's develop an economic development plan." Where in the past those communities have had no access to the kind of funding, expertise or consultancy that can lay out the right way to go, we've come forward with our communities in transition program to say, "Here's how we're going to help."

Chatham-Kent may be a great case in point. We work very closely with the economic development commission of Chatham-Kent. It reaches right to the outskirts of Chatham and all the way south to Tilbury, and we've had some great developments as a result.

When we initiated our work in the west, specifically in Alberta, to take our manufacturers to yet a new potential customer, which was the oil and gas sector, while we were there on our mission, we actually found a company in Alberta that could not manufacture what they were looking to do anywhere in Alberta. They simply could not find the space anywhere. There was just no room at the inn.

What we did through that mission was introduce individuals who took the entire production—the entire plant—and moved it from Alberta to Ontario. Where did they land? No better place than Tilbury, Ontario. Today, as you drive up and down the 401, you can see the building—utility poles made out of resin. This company now has contracts around the world, sending utility poles manufactured in Tilbury, Ontario, all over the world.

I think I mentioned at one point that with one of the contracts they landed with a Hawaiian utility company, they were adding the colour brown to the resin to create these great-looking brown utility poles, so that when they arrive in Hawaii and are put along the jungle, they mix in with the coconut trees, which we thought was very clever. It just goes to show you the kind of innovation that exists, even in the making of utility poles. This com-

pany is doing very well. That company, Global Composites, was a successful applicant to the advanced manufacturing investment strategy.

Once again, we stepped up to the plate with a collection of people prepared to make an investment in Chatham-Kent, which we know has faced serious challenges because of the downturn in the US economy and the downturn in US sales in the automotive sector, and we said, "Here's how we can help," by way of some creativity in the kinds of trade missions we're prepared to go on—not just internationally, but here in our own country—and open our manufacturers to other sectors they've never addressed before.

I was in Anchor Danly in Windsor not too long ago. If you look at their floor space, you will see that here is the section that deals with all their automotive sector. Then, in that section of their floor space, is a great big bucket for a Swedish company. They produce massive buckets being used in the mining industry. Before they go out the door, they paint them all bright orange, which is the signature colour of this particular company.

It's a great story, because here's a company that, years ago, only produced parts for the automotive sector. But they're so good at what they do that they know they can do more. Anchor Danly has been a proud participant in the activity of the economic development and trade ministry, when we start looking for them and connecting them with new markets—another great success story in Ontario.

Yesterday, I was at Valiant Machine and Tool in Windsor, which has been an established company since 1959. Here is a company that started in a gentleman's garage—his name is Michael G. Solcz—but over the years has developed into an international company, with plants and facilities in many countries.

1730

I was very proud to be the one to present him with an award that Boeing had bestowed on this company because now this company is a global supplier, award winner, out of 250 companies around the world—Windsor's own Valiant, a Boeing award-winning supplier. No one would have thought: Think Windsor, think Valiant, think aerospace. That, in fact, is what's happening. Why? Because we're being so aggressive in being able to open the doors for a new customer base using the skill sets that we have in our community and make them applicable to other markets.

We've got to play to our strengths, and our strength is in manufacturing. It is in advanced manufacturing. It's in dreaming about: What kind of products do they want in 10 years and in 20 years? We want them made right here in Ontario.

That leads to the Next Generation of Jobs Fund, which in fact is the mother of all incentive programs. There is not one like it anywhere in the world. It is available to companies that are going to help line up our climate change agenda with our economy. We know that it's going to be made available to more than just auto, more than just manufacturing—to biotech, to pharma, to ICT;

companies that can bring more investment to Ontario, land more manufacturing, land more jobs, the next generation of jobs. In fact, we are giving them a service guarantee of 45 days. That has never happened in governments before, and that has been very well received by the business community, which is saying, "Finally a government that gets it." We understand that we have to respond at their business timetable, not take months on end to give them a yes or no. We guarantee that when we receive an application in full, and it's a completed application, we will have a turnaround time to a decision, yes or no, in 45 working days. People are responding very well to that.

You can see that we have a five-point economic plan across the government; our skills and development fund announced in the last budget of \$1.5 billion; that we have partnerships with business directly through better thresholds for small business to be able to access the advanced manufacturing investment strategy and the Next Generation of Jobs Fund; that we have an education system where we're prepared to bolster funding for training. That \$1.5 billion in skills development, for example, will allow us to work with communities where there are challenges, where there are people with a tremendous history in the workplace but just don't have that job available. The old EI rules, whereby they would have been able to access training dollars in the past, aren't available to them because the rules don't work in this generation. Those were rules built, say, in the 1970s that just don't work anymore. We have 45- or 50-year-olds with children at home not in a position to move necessarily or be mobile. They perhaps have to go back to school for an additional year or year and a half to bolster that apprenticeship when they almost have all the hours available to get their full accreditation.

This is that second-career program that will be built out of that \$1.5 billion announced in the last budget, specifically because the Premier understands where the gap is in our workforce and their skills set today, what kinds of jobs will be available in the future, and where is that gap in training. This is a significant investment that our government is prepared to make to help people transition, in many cases in their communities, to the jobs of the future. We're working very diligently in collaboration with our Minister of Training, Colleges and Universities to make that program available so that it will work.

Mr. Lou Rinaldi: Thank you, Minister. I guess, as we wind down here, we've been hearing, and I want to just talk about, the greater strategy that our government and you under your ministry certainly have taken a lead role in. If you tend to listen to the opposition that we have no plan in place to move forward, it seems that if we cut taxes, in one sense it fixes all the problems of the world, and just next to them we need to spend more. I'm not sure where, but they keep on saying we need to spend more.

Can you summarize—I know we talk about our five-point plan—and maybe explain a little bit more, really, what our five-point plan is going to get us to tomorrow?

Hon. Sandra Pupatello: I mentioned a couple specifically of the five-point plan, but I can go further, certainly. There are lots of opportunities to lower business costs, for example. I mentioned that in our fall economic statement, our finance minister, Dwight Duncan, was very successful in taking direct measures to assist companies, which would affect them today, not corporate tax cuts. These same challenged companies are not facing an environment where they're making profits. They would never have benefited from a corporate tax cut because you need to be making the profit to pay the tax. That clearly made no sense; but rather, looking at how we can be effective today, in the actual cash flow issues they're dealing with.

That's why the announcement by the finance minister and the elimination of the capital tax—then seeing it appear in this year's budget retroactive to the beginning of January of 2007—just meant that not only were they going to get the break this year, we were going all the way back to the year before; so that these companies would be in position for a refund from the Ontario government, which was very well received by the sector.

I have to say that organizations like the Automotive Parts Manufacturers' Association, the Canadian Vehicle Manufacturers' Association and the tool/die/mould industry were actively watching our budget process to see how we were going to step forward to help. We had a tremendously positive response from the initiatives that came forward.

In addition, we're looking at areas like investing in infrastructure for a stronger Ontario. This brings us to the point of infrastructure that needs to be available at a provincial level and a municipal level. We saw this past budget add \$1 billion to municipal infrastructure. Then, several days out, an additional \$450 million was added to the MIHI program, the municipal infrastructure investment fund. That added an additional \$450 million. It was extraordinarily well received by our municipalities, which finally, after years and years of hiatus by governments of the past, understood that they had a real partner in this government.

I had an opportunity last evening to speak to the urban symposium of the large cities. That convention was being held in Windsor. I had a very warm reception by these city representatives, who said, "Finally, a government that gets it." They could feel the difference. They understood that we had begun the uploading from the devastating downloading that was perpetrated by the former government which just continues to eat away at the very sustainability of our municipal level. Finally, not only could they see where the uploading was going to go in the future and actually plan for that; they could see us coming forward with cold, hard cash related to transportation and upgrading of their roads. Again, we had a decade of hiatus of support from the provincial level of government that left bridges crumbling, roads crumbling. In fact, we've realized, as a government, we need to partner with our municipal partners. We believe that we've had just a great relationship. The Minister of Municipal

Affairs and Housing, Minister Watson, is in Windsor today, again reemphasizing that relationship with our municipalities.

Mr. Lou Rinaldi: Thank you. How much time do we have left?

The Vice-Chair (Mr. Garfield Dunlop): You've got—just a second here, Lou—about five minutes.

Mr. Lou Rinaldi: Thank you. Minister, I know that we're making some huge strides as we try to help our economy, which is facing some challenges right now; I know that you and the Premier have, a number of times, reiterated that if the federal government will only help us out a little bit. I know that you had some discussion with the Minister of Finance, directly or indirectly, maybe. I just wanted to get your thoughts. If the federal government were to come to the table in this province, how much further could we go? I know it's probably a tough question, but I'm sure you can give it a good stab.

The Vice-Chair (Mr. Garfield Dunlop): Do you think she has an answer to that?

Mr. Lou Rinaldi: I'm sure she has.

The Vice-Chair (Mr. Garfield Dunlop): Go ahead.

Hon. Sandra Pupatello: I think it's noteworthy that the best predictor of future behaviour is, in fact, past behaviour. So when we look at the days when the federal government came on board—and I have to say that even in those days it wasn't easy to do. We had to make a significant case for why the federal government should be as interested in Ontario and its major sectors, like automotive, as they are with Quebec's major industry, like aerospace. It seemed always to be a far easier statement for them to make, to be supportive of Quebec.

For whatever reason, this current government feels almost embarrassed to say that they should be supportive of their own economic engine and powerhouse of the nation, in saying that they would be supportive of Ontario. But we know that historically, when we were able to have significant programs that meant massive investment by our automotive assemblers, we could do that because we were able to bring the federal government to the table.

1740

These days, the federal finance minister has made statements that, frankly, his own party, his own constituents, his own business community, find absolutely appalling. I know this because they've told me this. We were aghast to understand that a finance minister who actually hails from an automotive jurisdiction—from Oshawa, right in GM's backyard—would dare say things like, "Tell people about not investing in Ontario." It's behaviour that simply doesn't become a minister of the crown, let alone one who hails from Ontario. So everybody was pretty horrified to see that. The business community reacted very strongly as well. I think it was just a matter of time before that response started to filter up to Ottawa and somebody finally got the duct tape out and he stopped behaving in this manner.

Having said that, all the while we have established a very good working relationship with the Minister of

Industry. The Minister of Industry, who comes from Alberta, I have found to be just tremendous to work with. He has taken the time to get to know our manufacturing sector. Think about it: He comes from a community where the two largest sectors in Alberta are the oil and gas sector and financial services. Those two sectors combined in Alberta are the same size by GDP of Ontario's manufacturing sector.

The Vice-Chair (Mr. Garfield Dunlop): One minute left, Minister.

Hon. Sandra Pupatello: Let me say that again.

The Vice-Chair (Mr. Garfield Dunlop): One minute.

Hon. Sandra Pupatello: Thank you. All of the oil and gas in Alberta and all of the financial services—which is very large in Alberta as well—combined are the size of by GDP output of Ontario's manufacturing sector, and yet this federal Minister Prentice has come to Ontario repeatedly, has become engaged in the sector, sits with us at the Canadian automotive partnership table, and he gets it. Despite Jim Flaherty's view that Ontario isn't important to the nation, he—Prentice—has stepped forward. I believe he will be able to deliver—albeit a much smaller plan for the automotive sector; it deserves at least four times the size of what he's offering—for Ontario, a minister who hails from Alberta, where the minister who hailed from Ontario has failed us so badly.

The Vice-Chair (Mr. Garfield Dunlop): That concludes your time for the Liberals.

To finish up this afternoon, we have about three minutes for each caucus, beginning with Mr. O'Toole, then to Mr. Miller and then to the government caucus and then we have a couple of votes after. So you've got about three minutes, Mr. O'Toole.

Mr. John O'Toole: Thank you, Chair. I think the NDP have volunteered to give me their time.

The first thing I want to do is thank you, Minister. You have been evasive, but you've been here and I commend you for that. I want to commend your staff. Your deputy, Mr. Amin, thank you very much; and Mr. Clifford and Mr. Seguin. Mr. Seguin has been here for a number of years, longer than most of us, and can shepherd this thing along. I'm sure he has been helpful with the minister to the extent possible. None of these, from any side, are directed at the staff because often you're working under faulty leadership, whatever party happens to be there.

Hon. Sandra Pupatello: Did you say "quality"? Did he say "quality"?

Mr. John O'Toole: But that last comment from the minister was uncalled for, that slam against Minister Flaherty, the Minister of Finance for Canada. He got it right. The competitiveness report said exactly the same thing as Minister Flaherty. We've cited that several times. We've talked about that, the Roger Martin report, the million-dollar-man report. We've talked about public affairs and your trips to China, France, the fancy places you like to go and shop and things. But the increased spending in the ministry under programs—

Hon. Sandra Pupatello: Chair, that's really inappropriate. It's also inaccurate, but I think it's inappropriate.

The Vice-Chair (Mr. Garfield Dunlop): Okay. Continue on and don't refer to her shopping.

Mr. John O'Toole: No, but your trips are important as long as you're taking the right staff—

Hon. Sandra Pupatello: It's silly to suggest that a minister spends time shopping on a trip. That's not fair, John. I'm being very fair with you, and I think that's inappropriate discussion for this table.

Mr. John O'Toole: In all fairness, Minister, it was meant as a light-hearted comment in my summation.

Hon. Sandra Pupatello: But it's also on record here, so joking aside—

Mr. John O'Toole: I'm suspicious now that you're offended by it.

Hon. Sandra Pupatello: I am.

The Vice-Chair (Mr. Garfield Dunlop): Okay. Try to clean up in the next couple of minutes here, Mr. O'Toole.

Mr. John O'Toole: The other programs—the OAIS program, the Ontario auto investment strategy. We've talked about the Next Generation of Jobs Fund, which is part of the vote on 902 today. We've talked very little about the biopharm investment program, BIP, a very important strategy program—I'm not sure, there—and the strategic opportunities program, SOP. We've talked about a number of programs, but I think the most revealing part of the inquiry here, if you will, is the freedom of information disclosure. That really has been a barn-burner. The story today by Murray Campbell and the Star on some of the strategies: I think that the—

The Vice-Chair (Mr. Garfield Dunlop): Can you sum it up now, please, Mr. O'Toole?

Mr. John O'Toole: Yes. As I said, I'm trying to sum up in a positive vein here, and I'm looking for words. "Thank you" would be two, and others would be that I look forward to further questions in the Legislature.

The Vice-Chair (Mr. Garfield Dunlop): Okay. That's great, then. Thank you very much, Mr. O'Toole. Mr. Miller, you've got three minutes.

Mr. Paul Miller: I can say that this was quite an eventful time for me in my first estimates committee meeting. I'd like to think it was very enlightening. If I had gotten some answers, it might have been more enlightening. But to put that aside, I'd like to thank the staff of the ministry for being patient and putting up with the little arguments that went on. To the other members, thank you for your tolerance. Mr. Chairman, you did a fine job; Mr. Hudak did a fine job.

Putting that all aside, I would just like to finish by saying that we're very proud of McMaster University and we're very proud of our medical facilities in the Hamilton area. The research is world-renowned; our scientists are world-renowned. We're extremely proud. More money that the government can put into those facilities will make me a very happy person.

However, thousands and thousands of John Does who live in Hamilton, who aren't scientists, aren't doctors and

aren't teachers don't have a very bright future, and I would be more than happy to take this minister through some of the areas. Eighteen per cent of the people in my community are living below the poverty level. We have parents with college degrees working in Tim Hortons and McDonald's, working at three jobs, and mothers having to work at two jobs while grandmother watches the kids, because they can't get a decent, middle-class-paying job in the Hamilton area.

I'd like to reiterate that we've lost thousands and thousands of jobs. I'm hoping that this minister and this ministry are going to take a harder look at the Hamilton area, are going to do something constructive in Hamilton besides the university facilities—the university facilities don't employ people on the street. We've got tons and tons of job requirements in that city, and we have very experienced tradespeople.

Minister, you said earlier in our little committee that you felt I might have been a little inexperienced. I personally have two trades and I'm probably older than you, Minister, so I've been around. I was really offended by the minister getting personal. She blames Mr. O'Toole for getting personal, and she did it several times. I hope in the future that these committee meetings can be a little more civilized.

The Vice-Chair (Mr. Garfield Dunlop): Well, good luck on that. I thought it had been fairly good today.

The government has three minutes to wrap up.

Mr. Lou Rinaldi: Thank you, Chair.

Hon. Sandra Pupatello: Just leave one.

Mr. Lou Rinaldi: Sure. I'm only going to take one minute.

Vice-Chair and Chair, Mr. Hudak: Thank you for doing a great job. Thank you to the minister and staff. For me, this was my first experience as well, and I really want to congratulate the ministry, both from the minister's standpoint and the ministry staff's, for the great job they do for the people of Ontario.

I relinquish my minute to you.

Hon. Sandra Pupatello: I think it is important to note that this is a good opportunity for the people of Ontario to see the tremendous amount of work that goes on, often unnoticed, by the Ministry of Economic Development of Trade.

In reference to some of the comments made, I specifically referred to the member's experience as part of the government. That's important because I believe that Ontario had a great Minister of Economic Development in Frances Lankin. She has gone on to do great things now outside of the Legislature. But it's true: There is just a different perspective that's brought to bear when

members in opposition have been in government, because they understand the inner workings of government.

It's especially important to get an opportunity to say that we are so much more active than what the opposition parties would have people believe, that we have been out there like a web across a multitude of sectors. Yes, we know where the challenges are, and that's why we respond to them, and when we identify challenges in various sectors, we expect the opposition parties to support us. The initiatives that come forward through these estimates tabled today that show clear support for sectors that are facing world challenges—we want those MPPs to put their money where their mouths are and support them when they come to a vote in the Legislature as well.

We do want to say that the number of net new jobs in Ontario—458,000 new jobs. And it's not fair to characterize these jobs as not good jobs. When these guys start working at Silicon Knights in St. Catharines, they're walking into an \$80,000-a-year job. That's the digital gaming sector as a sub-sector of ICT. That is happening in Ontario today, and it is a great story that needs to be told.

In addition, our financial services are booming in Ontario. It's the third largest in Ontario. ICT—the third largest in Ontario, with one of the best stock exchanges anywhere in the globe. Our banking systems here in the city of Toronto are the top 10 of world banking systems.

These are things that we have to be proud of. I expect that the opposition will set partisanship aside when it comes to selling Ontario. That's the job of the Ontario government, and we want the opposition parties on board. We have the best story to tell about why people need to invest in Ontario to bring great jobs and a great future to this province.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister. Thank you to all the members today. We do have four votes here, if I could ask you to just carry on for a couple of moments.

Shall vote 901 carry? All in favour? Opposed? That carries.

Shall vote 902 carry? That carries.

Shall the estimates of the Ministry of Economic Development and Trade carry? That's carried.

Shall I report the estimates of the Ministry of Economic Development and Trade to the House? Carried.

Thank you very much, everyone. Thank you to the minister and to ministry staff. We're adjourned until tomorrow at 4 o'clock with the Ministry of Aboriginal Affairs.

The committee adjourned at 1751.

CONTENTS

Tuesday 13 May 2008

Ministry of Economic Development and Trade	E-43
Hon. Sandra Pupatello, minister	
Mr. Fareed Amin, deputy minister	
Mr. David Clifford, assistant deputy minister	

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E-6

E-6

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Ministry of Aboriginal Affairs

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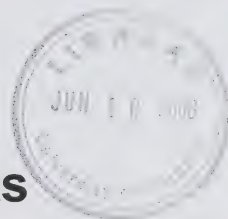
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 27 May 2008

Mardi 27 mai 2008

The committee met at 0907 in room 151.

MINISTRY OF ABORIGINAL AFFAIRS

The Chair (Mr. Tim Hudak): As we're waiting for the minister, we'll get started. Good morning, folks. Welcome to the Standing Committee on Estimates. We're reconvening today for the consideration of the estimates of the Ministry of Aboriginal Affairs. A total of eight hours has been the decision.

The gentleman at the table is—

Mr. David Lynch: David Lynch, the CAO.

The Chair (Mr. Tim Hudak): And the one beside you is—

Mr. David Lynch: Deputy Lori Sterling.

The Chair (Mr. Tim Hudak): Deputy, I'll direct this to you as well. As you know, the ministry is required to monitor the discussions today for any questions that arise to the ministry. We know that not every question can be answered on the spot, and it is always very helpful if we get a response to the members through the clerk as quickly as possible. We appreciate that courtesy.

We do have our hard-working staff—Mr. Charlton here today from leg research, who will endeavour to make sure that he has the questions written down as asked by the members. Often, it's good just to check with our researcher to make sure that the questions were understood. Sometimes in the heat of debate, it's not always clear exactly what information was being requested, so the research officer is there to verify.

We did postpone, at the request of Mr. Bisson, the meeting we had scheduled before the break week. All parties agreed to that, so we postponed that meeting. It does mean that we'll have some make-up time to make sure that we don't fall behind. Each party has called its set of estimates, and I want to make sure we get through as many of those estimates as possible.

We did, as part of that agreement, have the commitment of the House leader from the government side to find an additional day, if necessary. My preference would certainly be while the House is in session. We will need permission from the Legislature to do so. The clerk and I are also looking at the existing schedule to see if there's a way, if we can find the time, in the existing schedule, which may or may not happen depending on if the committee tends to start on time or not.

Are there any questions from members of the committee?

Mr. Garfield Dunlop: So, Mr. Chair, a total of eight hours. There are two hours tomorrow as well? Roughly two hours—

The Chair (Mr. Tim Hudak): Yeah, we'll have two hours this afternoon, from 4 until 6. With the new schedule again—sorry; 3:30 to 4.

Mr. Garfield Dunlop: I was just wondering when we actually would meet.

The Chair (Mr. Tim Hudak): So 4 o'clock until 6 this afternoon, then Wednesday 4 until 6. That will take us through four hours, plus our hour and 45 more minutes today, to five hours and 45 minutes.

Mr. Garfield Dunlop: So next week we have a couple of hours?

The Chair (Mr. Tim Hudak): We'd have at least Tuesday of next week.

Mr. Garfield Dunlop: Okay.

The Chair (Mr. Tim Hudak): The clerk was kind enough to prepare a likely schedule. Again, things do change from time to time, depending on when we start and if people don't use all of their time. I'll ask the clerk to circulate the planned schedule as it is today, so members can see when aboriginal affairs will continue until, in all likelihood, followed by the Ministry of—

The Clerk of the Committee (Ms. Sylwia Przewdzicki): Health and Long-Term Care.

The Chair (Mr. Tim Hudak): Health and Long-Term Care will be next on the list.

Mr. Bryant, welcome to the Standing Committee on Estimates. As you know, the format is that the minister would make 30 minutes of introductory comments to talk about the achievements and the goals of the ministry. You can use all that time if you choose to do so, followed by the official opposition, which will have 30 minutes. The third party will have 30 minutes, and then back to the minister for any responses. Then we'll begin 20-minute cycles after that. We go today till 10:45 and then we adjourn for question period and resume at 4 p.m. this afternoon.

I do have to formally say that I will now call vote 2001.

Minister, the floor is yours.

Hon. Michael Bryant: Thanks, Mr. Chair, and thanks to the members of the committee. With me today are Deputy Minister Lori Sterling, Chief Administrator David Lynch and assistant deputy ministers Doug Carr and Alison Pilla.

The goal of the provincial government over the course of the next mandate is to try and improve economic conditions for aboriginal people, the idea being that if we are able to assist in enlarging an aboriginal middle class, with that will come improved social conditions. So while there are a number of very important issues that the government addresses with respect to aboriginal affairs on an ongoing basis, the number one, number two and number three goals are to try and improve social conditions through improvement of economic conditions. Much of that is going to be done through jobs. Some of that will be done through sharing of equity or settlements. Obviously, the vast majority of those jobs will be private sector jobs.

The government's job is to try and remove obstacles to promote jobs, to promote resolutions, to do the province's job to resolve historic grievances. The province's job is to, within its jurisdiction, assist in advancing and improving education for aboriginal peoples in Ontario, keeping in mind that the on-reserve schools are the federal government's responsibility. Nonetheless, education is the means to getting the skills and the knowledge in order to get and perform the jobs.

Along the way, the government needs to provide assistance in levelling the playing field, providing the so-called capacity. I say "so-called" because when I used it a couple of weeks ago in a press conference, Sean Mallen said, "What's this capacity?" He was right: It's about levelling the playing field so that, in dealings between First Nations and Metis leaders and business and government, everybody's on the same footing.

In the 2007 throne speech, the government stated its intention to forge a stronger relationship with aboriginal peoples, stated its intention to address historic grievances and stated its overall goal of improving economic conditions.

In 2007, the government created a stand-alone Ministry of Aboriginal Affairs, fulfilling a recommendation of the Ipperwash commission. In the past, the portfolio had been a secretariat or an addition to another portfolio. That meant it didn't get the attention it deserved. Historically, it was often put with a ministry like the Ministry of the Attorney General, where it was obviously difficult for the chief legal officer to improve relationships with First Nations and Metis when, at the same time, they were in court. Also, it perpetuated the legalization of the relationship, to the point where most of the progress was determined by the courts.

In order to fulfill its expanded mandate, the budget of the Ministry of Aboriginal Affairs was almost doubled, from about \$28 million in 2007-08 to \$55.6 million in 2008-09. In addition, the province spends about \$600 million annually through a number of other ministries across government with the purpose of improving the quality of life for First Nations, Metis and Inuit people. The separate ministries each provide aboriginal-specific services, and in many cases, the role of the Ministry of Aboriginal Affairs is to assist the ministry. For example, the Ministry of Education, even before the creation of the

stand-alone Ministry of Aboriginal Affairs, had undertaken an ambitious set of reforms to identify aboriginal peoples within the public school system in order to try and address aboriginal peoples' needs within the public school system. That had never been done before. Now the Ministry of Aboriginal Affairs assists the Ministry of Education in its continued implementation of that and other aboriginal-specific reforms.

About \$300 million of the \$600 million annually that I spoke of goes to children and social services, another \$85 million to health services, \$80 million for justice and policing initiatives through the Ministry of Community Safety and Correctional Services and the Ministry of the Attorney General—

Mr. Gilles Bisson: Could you repeat the last part?

Hon. Michael Bryant: Sure. I'll start at the top.

Mr. Gilles Bisson: No, no; just at the policing part.

Hon. Michael Bryant: Eighty million dollars for justice and policing initiatives and \$45 million on education and training programs. I know we're not getting into question and answer yet, Mr. Chair, but these are initiatives, such as increasing access to justice for aboriginal peoples as opposed to operational spending by the police.

The new Ministry of Aboriginal Affairs is now better placed to address the needs of Inuit, Metis and First Nations people both on the reserve and in urban centres.

On the effort to improve relationships with First Nations and Metis: It takes commitment and time and resources. It is important for the government to set and track strategic priorities for its aboriginal agenda while, at the same time, working on its specific and main objective of improving economic conditions. Across ministries, the government is investing in First Nations through education, training and skills development.

I mentioned education. The government is investing \$45 million in aboriginal education and training programs, with \$5 million in school year 2008-09 for aboriginal education. We are working to promote aboriginal businesses to invest on reserves or otherwise partner with First Nations and Metis, and to work with First Nations and Metis to create jobs.

There are some very good examples. I'll give you one: SIXTech. It's a large aboriginal information management company based in Oshwegon. Adobe, one of the world's largest software companies, has forged a strategic alliance. It is a great success story.

0920

Back 25 years ago, very few businesses were owned and managed by First Nations communities. Today, there are over 20,000 businesses owned and managed by First Nations people. The goal is to increase that, in partnership with First Nations and Metis leadership.

In order to advance and improve the relationships between the government, First Nations and Metis, it is necessary to entrench regular meetings of aboriginal and government leadership. That was established in 2004-2005, broadly speaking, and it has meant that ministers responsible meet directly with First Nations and Metis

people with respect to their priorities. The Premier hosts annual conferences with First Nations and Metis leaders and aboriginal service providers, and attends meetings of Premiers with national aboriginal leaders and significant aboriginal events.

It's part of my job, obviously, to hold many meetings with chiefs and community members. As regularly as possible, I visit First Nations communities across Ontario. I've had dozens of such meetings since becoming the minister at the end of October. As the minister responsible, I co-chair the new Ipperwash Inquiry Priorities and Action Committee, first with the Chiefs of Ontario regional chief, and secondly, with the president of the Metis Nation of Ontario.

We have launched formal discussions with the Metis Nation of Ontario to develop a new—and we hope, historic—framework agreement based on the principles of respect and partnership. The consultation, partnerships and multilateral work that ought to be the goal of any government working with First Nations and Metis people is also based on relationships.

First Nations are rightly raising the issue of consultation, and how the duty to consult applies to government initiatives and government approvals of private sector projects in Ontario—there has been Supreme Court of Canada jurisprudence speaking to the duty to consult—as well as where treaty rights may be affected by government actions. These decisions have bolstered the just desire of First Nations, Metis and Inuit, with respect to the control of and management of benefits to be realized; for example, resource revenue sharing on traditional lands.

That said, in an effort to depart from the past primary legalization of the relationship of First Nations, Metis and government, where most of the major changes were determined by the courts—I think over the course of the history of the nation, maybe all of the major changes were determined by the courts—instead of waiting for the courts to advance government action, and also instead of governments being risk averse as a result of ongoing litigation, it's important that the government make multilateral action its goal, and that governments seek to reach agreements with First Nations and Metis leaders.

The duty to consult is a legal duty. It's a constitutional duty. It's inevitably a minimal duty. There's much focus on what the duty to consult means. Rather than focusing on that legal issue, which is a matter for the Ministry of the Attorney General, lawyers and judges, this government believes that the Ministry of Aboriginal Affairs and the other ministries will, yes, obviously, respect their legal duties, but also must forge relationships to allow for multilateral action, and do so primarily because of the relationship as opposed to primarily motivated by the legal duty.

Our government has endeavoured to make progress in establishing positive relationships. The revenue-sharing agreement for gaming that was entered into in January, and ratified in February or late January, was a \$3-billion agreement over 25 years. What that means is a share of

gaming dollars that is used by First Nations to improve the quality of life in First Nations communities. It is a stable source of revenue for Ontario First Nations, allowing its use to support community development, health, education, economic development and cultural development. Already, in use of what is often referred to colloquially as Rama money, community recreation centres have been built. Many communities can point to use of the money achieved through the previous gaming arrangements. This will allow for a 25-year certainty that that will continue to take place, continue to hopefully improve schools and housing and build community centres—such as the one at Sandy Lake that I saw a few months ago—support infrastructure needs and provide training, again, leading to more jobs. The initial payment of \$200 million was made this past February.

The Ontario approach is quite different from the approach in the United States, where if there's a casino on the reservation, there's a steady flow of income and a significant amount of income that goes to that particular tribal government. But if you don't have a casino on your reservation, then there will be no gaming. In California, for example, there's one tribe, one reservation where the annual average income is about \$90,000 a year, and in the same state, there's another tribe on a reservation where the annual average income is under \$10,000 a year. So it's all or nothing, depending on whether or not there's a casino in your backyard. It obviously also leads to the proliferation and incentive to build casinos.

The Ontario approach is different. The Ontario approach is to say that all First Nations share in the revenues, regardless of whether there's a casino in their backyard; and secondly, that First Nations co-manage and, in partnership, address all gaming issues involving First Nations in Ontario. I think it's the right approach, and I think that the agreement is a success story and is very much a credit to the negotiating committee, the leadership of Grand Chief Toulouse, and the work done by the Honourable David Ramsay and the Honourable David Peterson.

The Ministry of Aboriginal Affairs also administers an aboriginal community capital grants program to promote self-reliance by funding community facilities, community centres, small-business centres, which provide a delivery point for community services and business activity. In the current budget year, \$3.3 million has been allocated to the aboriginal community capital grants program. The Chippewa of the Thames First Nation has already received \$500,000 towards a new community centre, as did Missanabie Cree First Nation and additional First Nations. These facilities promote healthy lifestyles and skills development, especially amongst kids. Community centres provide social, cultural and educational activities and encourage locally based programming and training.

The small-business centres foster growth of small businesses in the local area and assist entrepreneurs. There are many First Nations that have an entrepreneurial spirit and tradition. The experience in the United States is that where the gaming revenue or other revenue is

combined with small businesses and entrepreneurs, that's when the annual average income goes up. It's a combination of the two—again, because of an increase of jobs, an increase in an aboriginal middle class.

The Ontario government will be working with the Chiefs of Ontario to convene an aboriginal economic development forum early in 2009 that will promote business partnerships. We are currently creating an inventory of economic development initiatives for First Nations, Metis and Inuit people in Ontario, and we'll be posting this on the ministry website to ensure easy access. We're working with the Ministries of Economic Development and Trade and Finance on venture capital and small-business assistance.

0930

Clearly, a long-term approach is needed to generate more opportunities and jobs. It will primarily come from partnerships between the private sector and First Nations and Metis communities. Again, the government's job is to provide capacity, education, remove obstacles and promote economic development however it can. As rising energy costs are one of the major issues facing all residents of Ontario today, it's an example of the government's approach. So we're looking at ways to partner with the federal government and First Nations on potential renewable energy projects, including a loan guarantee program. I've asked potential aboriginal partners to bring forward ideas on how we can, together, participate and benefit from renewable energy projects. A number of public and private sector energy proponents are already meeting with potentially impacted aboriginal communities. At the same time, the Ministry of Energy is working with First Nations on alternatives to diesel use in the north.

Resource benefit sharing: It was a commitment made in the fall 2005 throne speech to develop proposals for aboriginal peoples to share in the benefits of natural resource development. This will translate into meaningful employment and business development, but it is also, and perhaps primarily, about creating an economic incentive that will far exceed any net revenue that is shared with First Nations and Metis people, obviously because, if in fact there's greater economic development, if there's greater natural resource development, then it necessarily means an increase in revenues above and beyond jobs and any equity share.

The northern table letter of political agreement identified resource benefit sharing as one of the areas of discussion aimed at closing the socio-economic gap between Nishnawbe Aski Nation First Nations and other residents of Ontario. Ontario has committed \$30 million over the coming four years to support consultation at the northern table on land use planning and resource management in the far north. The idea of resource benefit sharing has several component parts. The improvement of the relationship and partnerships may include impact-benefit agreements, skills training to work in the resource sector and the allocation of crown revenue from resource extraction.

Resource revenue sharing is not the end; it's a means to an end, the end being more partnerships, more economic activity and greater economic development amongst First Nations and Metis. That said, the goal is to balance economic development with far north planning and climate change issues and to improve the investment climate and enhance aboriginal businesses and partnership opportunities. Obviously, aboriginal peoples have been leaders with respect to climate change and the environment for decades before myself, most elected in most governments.

As an example of successful partnership, I offer De Beers in Attawapiskat, resulting in important impact-benefit agreements in the opening of the Victor diamond mine. It's a remarkable opportunity and model for northern Ontario. The potential benefit for people of Attawapiskat is substantial: 600 jobs during the construction phase and 375 direct jobs during the diamond mining process. As part of the impact-benefit agreement, significant investments have been made in education and training to assist First Nations people to build the skills necessary for the employment opportunities created by the project.

The community of Attawapiskat is also benefiting through a number of joint venture agreements for the provision of supplies and services. Ontario is working with De Beers and representatives of the diamond sector to identify, develop and promote value-added diamond opportunities that ensure vibrant and sustainable industries at all stages of the project. Environmental monitoring will obviously take place throughout the life of the project and continue several years after the mine has closed, ensuring that it's dealt with responsibly and safely and the environment is protected.

Improving social conditions, as I said, is something that every government of every political stripe would be dedicated to. One of the worst statistics is that a young man is more likely to go to jail than he is to graduate from high school if he's a First Nations young man. It's a tragic, tragic statistic, which that I know all of us want to address and improve. Studies show that there would be improvement for not just First Nations and Metis communities, but for the broader Ontario community. Studies showing that the education gap between aboriginal and non-aboriginal peoples in Canada, should it be closed, would result in billions of dollars added to the gross domestic product.

Education is the key to the jobs and prosperity that I've spoken of. The Ministries of Education and Training, Colleges and Universities launched Ontario's aboriginal education strategy to support learning and achievement of aboriginal students. In addition, through this strategy, awareness about First Nations, Metis and Inuit peoples' cultures, histories and perspectives in the schools are being raised amongst all the students.

In addition to the core funding provided by the Ministry of Aboriginal Affairs, the Ministry of Education provides an annual \$650,000 to the friendship centres to provide additional student support, such as counselling

by elders and cultural programming. A review is currently under way to assess whether the native alternative schools, as they're called, a program run by the friendship centres, should be expanded.

On-reserve, it's a real challenge. There's a gap in per pupil funding between students on-reserve and off-reserve. It's quite a significant gap; it's at least a third to a half, maybe more. It's a disparity that is very—well, it's impossible to reconcile. Action is going to be needed by the federal government to address that disparity. I think everybody understands that the capacity of Ottawa to deliver education services is not traditionally the expertise of a federal government, but it is the constitutional and fiscal responsibility. The province wishes to assist if there is a way to do so, but the federal government is going to have address it in fiscal matters.

Chair, how much time have I got?

The Chair (Mr. Tim Hudak): About five minutes.

Hon. Michael Bryant: Thanks. Urban issues: I think most are aware that the growing number of aboriginal peoples are living off-reserve in urban centres. The latest census shows 78% of the aboriginal population in Ontario living off-reserve. Of these, approximately 60% live in urban areas and face numerous challenges.

The ministry works with the Ontario Federation of Indian Friendship Centres. We provide core funding to support the needs of off-reserve aboriginal peoples. Just a couple of months ago, on April 24, I attended the launch of an aboriginal adaptation of the province's neighbours, friends and families public education campaign based on traditional aboriginal teachings. The program raises awareness on the signs of abuse towards aboriginal women.

The urban aboriginal task force saw the province provide funding of \$224,000. The findings of the task force show that the creation of an urban aboriginal middle class is directly linked to investments made 20 years ago into urban aboriginal organizations. Successful projects focused on improving life skills and promoting job training, entrepreneurship, and supporting aboriginal women, children and families. These projects were conducted in eight Canadian cities, including Ottawa and Toronto. The province is reviewing the task force report to determine how its findings and recommendations can assist the province in leveraging partnership with the federal government and funding from the federal government to increase our ability to better work with aboriginal communities.

In the last minutes that I have—I have a lot more to say, but we'll have plenty of time to address it. It's about land claims. Many initiatives are dependent upon improving the land claim process. The land claim reform is one of the key recommendations of the Ipperwash inquiry report, which found that the federal and provincial land claims process was slow and unfair and a primary source of discontent for First Nations—and that's an understatement.

Currently, the ministry conducts land claims negotiations and implements settlements, carries out public

involvement processes to create better understanding, and participates in federally led governance negotiations, as appropriate. Since October 2003, the government has settled six land claims. In the past year, we concluded settlements as well, making progress on resolving the future use of Ipperwash Provincial Park lands and the continued coordination of the government's response in negotiations with respect to Six Nations' Haldimand tract claim.

0940

The negotiations are based on historical and legal research to address outstanding grievances and satisfy legal obligations. Ontario is proceeding with reforms of its land claim process. We start by consulting with First Nations and Metis leaders. We also have to work with the federal government to improve coordination and co-operation to make the process more efficient and effective.

Canada and Ontario have got to resolve areas of common interest, such as apportionment of the responsibility between the federal government and the province, joint registry research, provincial participation in the federal tribunal process, and the possible establishment of a Treaty Commission of Ontario. Minister Strahl introduced a bill with respect to a federal tribunal, but it applies to claims of \$150 million or less, which means it doesn't apply to the vast majority of Ontario claims, and it only applies to cash-only claims. More than 90% of Ontario claims are land and cash claims, so in fact that tribunal, on its face, according to Chiefs of Ontario, will not be of assistance. The issue will be whether or not the tribunal or another process becomes the means by which we improve the land claim process. But we must do so.

Chair, I think I'm up. I look forward to a productive set of committee hearings.

The Chair (Mr. Tim Hudak): Excellent. Perfect timing, Minister. Thank you very much, Deputy, ADM. We appreciate it.

We have the official opposition for 30 minutes, followed by the third party for 30 minutes.

Mr. Norm Miller: I'm just going to speak briefly and then go directly to questions, if I may do so.

Welcome, Minister. I've been the aboriginal affairs critic for a couple of years now, first when it was a secretariat under the Attorney General and then when it was, in what I thought was a bit of a conflict, connected with the Ministry of Natural Resources. Now I'm pleased to see that aboriginal affairs is a stand-alone ministry, but it needs to be a functioning agency with a clear mandate, achievable goals, and measurable outcomes.

From the ministry website, it says: "Ontario is charting a new course for constructive, co-operative relationships with aboriginal peoples of Ontario—a relationship sustained by mutual respect and that leads to improved opportunities and a better future for aboriginal children and youth." That's very nice, but it's not very concrete.

The aboriginal policy framework says the government of Ontario is "committed to working with aboriginal leaders and communities on health and education initia-

tives that will help aboriginal children and youth stay healthier, do better at school and enjoy improved opportunities throughout life." Again, it's nice, but it's not very concrete, so I certainly will be asking questions about what specific targets the government has for improving health care, education and training.

I certainly know that First Nations leaders are very engaged: NAN Grand Chief Stan Beardy; Regional Chief of Ontario Angus Toulouse; John Beaucage, the Anishinabek grand council chief; Gary Lipinski, and before him, Tony Belcourt, from the Metis Nation of Ontario; and many other aboriginal leaders are trying to make improvements for aboriginal peoples. Recently, John Beaucage, as grand council chief of the Anishinabek nation, released an economic blueprint in an effort to ensure that the aboriginal community can move towards greater independence through economic development. Similarly, I know that the Metis Nation of Ontario is very interested in increasing opportunities for economic development among its peoples.

In my own riding of Parry Sound—Muskoka, where we have seven First Nations communities, certainly Chief Blaine Commandant of the Wahta Mohawks has been successful in getting economic activity happening, like a water-bottling plant and cranberry operations. We have Chief Denise Restoule in Dokis First Nation, who has been working hard on trying to get more forestry operations happening in that community.

Certainly as critic, I've seen the desperate conditions that our aboriginal peoples face across the province. As I see it, the province has a moral obligation to assist the aboriginal community, to create economic development opportunities and to improve standards for education, apprenticeship training and health care. It's simply not good enough to show up and help evacuate communities whenever a crisis hits. As the critic for aboriginal affairs, I see my obligation as twofold: to ensure that public funding is reasonable, transparent and accountable and provides good value for the money, and that the programs result in measurable improvements for aboriginal peoples. Our ability to function as a province depends on many partnerships, and one of the most important is our partnership with aboriginal peoples.

Minister, I'd like to begin by asking you a question to do with education, because I see education as being the key element to improving conditions for our aboriginal peoples. To be honest, I just don't see much improvement. You hear stories about Kashechewan, where they haven't graduated a high school student in two years; there are schools that are closed because there is mould on the walls, and just no improvement. I really do believe that if we're going to see an improvement in the opportunity for our aboriginal peoples, we have to see an improvement in education.

I guess my first question is, how are you setting goals and measuring results in terms of improving the educational opportunities for our aboriginal peoples?

Hon. Michael Bryant: Chair, I'm in your hands. I had understood that you had outlined that we were going to

have opening statements and then the government was going to respond and then we'd go into questions.

The Chair (Mr. Tim Hudak): I should have been a bit more clear from the beginning. Traditionally, how to use the 30 minutes is really up to the individuals. What Mr. Miller is doing is the usual approach taken by members. He'll do opening comments and then questions. Your 30 minutes in conclusion are for further comments that you would have as minister or to respond further to individual questions.

We do have the estimates for aboriginal affairs before us. Members are able to ask questions of the ministry and the spending therein. I know you don't directly deliver on education, but I do think this question is in order in a general sense in terms of your role in measuring progress in the aboriginal community on education.

Hon. Michael Bryant: All right. I don't know if there is any—again, I'm happy to answer the question but I don't know if the NDP wanted to make their opening statement and then we end up in questions or if you—

The Chair (Mr. Tim Hudak): No, to be clear, the process we're following is the usual process.

Hon. Michael Bryant: Got it.

The Chair (Mr. Tim Hudak): The official opposition can use their 30 minutes as they see fit, and Monsieur Bisson from the third party will do the same.

Hon. Michael Bryant: Okay. The question is about, I guess—

Mr. Norm Miller: Education—what goals you are setting, how you are measuring results, how we are going to see some real improvement. Because I haven't seen any improvement so far.

Hon. Michael Bryant: I think we need to distinguish between on-reserve and off-reserve education. For on-reserve education, I'm sorry; I wish I could speak to it, but it's entirely within the jurisdiction of the federal government, and whether or not benchmarks are set by the federal government and whether or not they're implemented is a very good question. The sense is that the state of education on-reserve is woefully inadequate. I think many of us have seen that first-hand. There's no question that the per-pupil funding is significantly different. On-reserve per-pupil funding is about 30% to 40% lower than off-reserve per-pupil funding that's provided by the provincial government.

Another problem is that whereas you have in any province a certain amount of expertise built up through a Ministry of Education and through school boards—a sharing, a network among public school systems—on-reserve you don't have that. There is not that kind of coordination, and there wasn't—

Mr. Norm Miller: Chair, on that point, I just want to—

Hon. Michael Bryant: So what ends up happening is that—

The Chair (Mr. Tim Hudak): Order, for a second. The member had a specific question with respect to measurements, I think, that he wanted to have answered.

Mr. Norm Miller: On that point of the on-reserve schools, you're making some good points. This has been going on a long time, and First Nations get lost in fights between the federal and provincial governments and we don't see progress. As you just pointed out, the province has the expertise in education, so I guess my question would also be, why aren't we playing more of a role on-reserve and maybe working with the federal government? We do have the expertise; the federal government doesn't seem to do anything very well, to be honest. I'm not just talking about the current government; I'm talking about past federal governments as well. That's probably why we don't have any fish on the east coast of Canada any more.

The province has the expertise in education, so why aren't we playing more of a role on-reserve? There's a huge problem there.

0950

Hon. Michael Bryant: Just going back for a minute to what I was saying before about the legalization of the relationship: A lot of the silos develop because of the constitutional responsibilities. The federal government, under the Constitution Act, is responsible for education on reserves. So a few models have been presented that would see, potentially, federal funding for provincial delivery of services, further to what you said. I agree with what you said about provincial expertise. The most prominent model was the Kelowna accord, which would have seen federal funding for provincial delivery of services. The agreement was made under the Martin government and then rescinded under the Harper government.

I'm sure the member would agree it would not be in the public interest for the province to, besides constitutionally, walk in and provide funding for an area that's not within their jurisdiction. It's also a matter of spending the education budget. In other words, you wouldn't want money taken out of Parry Sound-Muskoka schools to pay for a federal government responsibility. An agreement needs to be made; I don't disagree with that. I think it is the best future.

So what do we do in the absence of that agreement? Besides working toward the agreement, I think that right now there have to be somewhat informal efforts—again, for reasons of constitutional jurisdiction and in the absence of an agreement—to try to provide a support network in some way. Some proposals have come forward: Is there a way that the province, particularly in rural regions, could provide some assistance from the board level, for example, just to set forth a standard curriculum? Again, school boards will rightly say, "We don't want to take dollars out of our existing budget in order to pay for this thing that's within the federal responsibility." That's not to say there ought not to be additional efforts by the Ministry of Education where possible.

The specific question for the on-reserve: On-reserve education funding and on-reserve education initiatives are not within the mandate or budget, from an estimates process, of the Ministry of Aboriginal Affairs, but I will

make inquiries as to whether there is any further information.

Do you want to get into off-reserve?

Mr. Norm Miller: In the limited time that we have, I believe that off-reserve, there are some initiatives with some specific targets. I actually met with a representative of the Trillium Lakelands school board last week to get updated on some of those. I'm more familiar with that.

Moving to the next layer up, in terms of education, we saw the First Nations Technical Institute, which was about to close, and the province stepped in with some money for a year, again. But once again, we have another level of education and nobody really wanting to step in and take responsibility for what I would argue can make a real difference in terms of seeing some improvements in the aboriginal communities.

Hon. Michael Bryant: No question, it can make a real difference. It just seems so counterintuitive, when everybody would say that we need improved educational services for aboriginal peoples, that anyone would consider withdrawing the existing services. That's the oldest post-secondary institution in Ontario and the largest to provide those services.

The agreement, in the past, had been that a certain amount of dollars would be invested for operational funding by one level of government and a certain amount for capital funding. Then, the federal government said, with respect to FNTI, "We're not going to provide the level of funding." It meant that the province had this Hobbesian choice to take investments out of the provincial mandate to provide for the federal government. And whether it was naive or not, it was the right thing to do to keep the doors open. I mean, we were literally stopping pink slips because there had been an obligation at the union to provide notice. So what's the long-term answer? I guess it would be the same as in education. We need to have an agreement. If it's to rely on the expertise of another ministry within the provincial government—not mine, but of the Ministry of Training, Colleges and Universities—and provide the stable funding that's needed, then in fact that needs to be done by way of an agreement similar to what the Kelowna accord set out.

I'll also say, though, that the establishment of the \$25-million new relationship fund does create opportunities either in the medium term or the long term for access to education and training dollars. That's not really to your point, which is that we need to restructure everything, and we do, but I would also say—and I don't mean to be overly provocative—even that in and of itself becomes a stopgap measure. Yes, we need to have provincial delivery of services within the expertise of the province, and the federal government has to provide the appropriate funding, not just because it is their constitutional responsibility but because the province isn't in a position to pay for it. But the long, long term has got to be self-government, because this is the problem with it, that this government or that government is going to pay for it. Ultimately, it needs to be through a revenue stream that is controlled by First Nations themselves.

Mr. Norm Miller: I'll move on to economic development. I guess I would ask, what are you doing to support economic development for aboriginal peoples?

Hon. Michael Bryant: The first one is not one that would be specifically attached to a dollar figure within estimates, but I think it's important. It's just bringing together businesses and First Nations that are, on one side or the other, unfamiliar with entering into aboriginal-private sector relationships. So the Chiefs of Ontario or the other provincial-territorial organizations or specific First Nations or Metis leadership will approach the government and say, "We need some assistance with respect to renewable energy projects," at the same time as someone from a renewable energy company is saying, "We want to assist them." So it's putting people together and then it becomes up to them to partner. The government's role could be, amongst other things, providing loan guarantees for specific projects where there isn't enough capital.

Next, I would say that certainly the gaming agreement is going to contribute to economic development.

The \$25-million new relationship fund, again, is dedicated to providing capacity—community capacity at first, but hopefully over time also individual capacity that will allow for skills training and obtaining those jobs that are necessary to grow the aboriginal middle class.

Government and economic development: It's always, particularly with respect to First Nations, something that I think is best done in partnership with the private sector, which is why we have the summit in early 2009, which, to their credit, was an initiative of Chiefs of Ontario, Assembly of First Nations and the private sector. Then they approached the government of Ontario.

Mr. Norm Miller: We have currently, of course, a protest, I guess they'd call it, out on the front lawns of Queen's Park connected with mining, a pretty significant economic activity, particularly in northern Ontario.

I guess my question is very specific. You have a review of the Mining Act occurring right now. Are First Nations, aboriginal people, at the table in that review of the Mining Act?

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Hon. Michael Bryant: Yes. The Ministry of Northern Development and Mines has an aboriginal consultation process for the Mining Act. I have numerous discussions with the leadership of Chiefs of Ontario and specific First Nations, but neither the government nor First Nations has really, at this point, narrowed the discussions to the point where you would expect the legislative changes to be at, in the sense of some of the major issues around how exploration will take place, what the consultation ought to be in the legislation, as opposed to a policy. Just as an example, prospector and developer associations signed a memorandum of understanding with the Assembly of First Nations as to what the best practices ought to be. It involved, for example, discussions and negotiations between First Nations and prospectors and developers in advance.

How much of that do you put in legislation? There are some things that make sense policy-wise that don't end

up there. I would have thought that we would expect a more formal commencement of the nose-to-grindstone work that would be involved in the Mining Act changes, with aboriginal peoples and leadership and the industry, at some time in the coming months.

Mr. Norm Miller: Okay, but I asked that specific question because I happened to be talking to some leadership of First Nations last week and they said they weren't involved. So maybe it was just that that particular leadership wasn't aware of the involvement. But I asked very specifically and they said they weren't at the tables. I was surprised by that.

Hon. Michael Bryant: Yes—well, you're assuming that there's a table that is in fact undertaking that with, say, industry or within the government explicitly as to what it's going to look like. In fact, the ministry of mining—again, it's not my ministry—is in fact engaged in consultations as to what that would look like. These are very important consultations. It needs to be ultimately a multilateral approach. Who goes first, in terms of proposals, is always a tough question when you're trying to deal with coming to agreements and consultation, because everybody wants to make progress.

For example, with the northern table and Grand Chief Beardy, what I asked them was, in addition to what's going on with the ministry of mines, "How would you see the consultations taking place? How do you want them to take place?" They're certainly going to be sending me a proposal to that effect.

This is going to be something that involves very significant consultation because it's got to work. If in fact we have something that's unworkable as a result of a unilateral action, then that's pretty bad public policy. So we need to put together something that's in the public interest and something—we're never going to get unanimous consensus—around which we can build a consensus.

Mr. Norm Miller: Yes, especially in northern Ontario, mining, a \$10-billion industry, is pretty important. So is forestry. I might point out that a couple of the government's actions have not necessarily been helping. I mentioned the new mining tax on the diamond mine at Attawapiskat that you were speaking of.

As well, the recent change in the government's perspective, to do with species at risk, where they were going to recognize the work done by forestry companies in forest planning that they do, where they have protections for species at risk, and now we learn that they're going to require a duplicate layer of permitting, which the forestry industry has said will bring them to their knees. I'm sure Mr. Bisson will bring that up.

The Anishinabek First Nation has put together an economic development plan. Have you had a chance to review that plan? Are you supportive of it? Is there any government money going toward supporting implementation of that?

Hon. Michael Bryant: Yes and yes.

Interjection.

Hon. Michael Bryant: Right; in any order. I was there at the launch of it, along with your federal seatmate

and along with Grand Chief Beaucage. I think it's an excellent blueprint. I just can't say enough positive about it. It lays out the blueprint, a roadmap—find whatever analogy you want—for improving economic development. Certainly the government is very committed to doing its role. There was some, I thought, optimistic commitment from the federal government there at that announcement by Minister Clement that that was consistent with the federal government's goals as well.

Mr. Norm Miller: Another proposal by the Anishinabek First Nation is to regulate tobacco sales and collect some sort of fee. I gather that, roughly, the way it would work is that they would have a proposal to regulate tobacco sales and license, inspect and collect a fee that would then go back to First Nations, particularly for health programs. How do you feel about that?

Hon. Michael Bryant: It happens right now in Kamloops. It happens in the Navajo Nation and, I believe, in a couple of places in Manitoba. Certainly, anti-tobacco groups are supportive of the idea of trying to eliminate the disparity in prices and reduce smoking. I know Grand Chief Beaucage indicated to me and many people that, in fact, elders had approached a number of the chiefs to talk about that activity and to say that not only was it increasing smoking activity for everybody, but it was also not something that, ultimately, First Nations leadership ought to be promoting and some form of self-taxation, self-pricing or otherwise ought to take place.

The particular proposal actually arose in the context of the federal government and Minister Day announcing what was referred to by First Nations leadership as sort of a crackdown on the retail sale. So then the question becomes, "Is it not best to deal with the supply and address demand than it is to go and imagine you can police the retail sales?" It was seen as pretty offensive to First Nations leadership, because there was an implied association, advertent or inadvertent, between First Nations and organized crime explicitly in the press release.

If it has worked in Navajo, in Kamloops and in Manitoba, I think it's something that the federal government ought to look at. If there's a role for the provincial government, we'll need to look at it, but it seems as if right now this is a debate between the federal government and First Nations, and we'll have to see where it goes. It has got to be addressed. I think everybody agrees. The idea that a third of the smokes are underground and the increased use of tobacco and the lack of regulation and everything else is wrong. This is their proposal. This is a First Nations proposal, and it has to be taken seriously as a result, in my opinion.

Mr. Norm Miller: I'd like to switch to policing services. What responsibility does the province take on in terms of aboriginal policing services?

Hon. Michael Bryant: I'll make best efforts right now, but it's really a question best directed to the Solicitor General for a variety of reasons, many of which are outlined in the Ipperwash commission. This is just not something that the executive council is specifically involved in, other than in funding. As for funding issues, again, it's all through the Solicitor General. None of it is

through the Ministry of Aboriginal Affairs. I will make inquiries. If I'm not able to provide that information by the end of estimates, it's because it's not within the purview of the Ministry of Aboriginal Affairs, but I will make inquiries.

But let me say this: Ultimately, it has to be—or at best, it is where there is a partnership. Obviously, if it's on-reserve, there's federal government involvement and federal funding. Because of off-reserve policing responsibility by the province, historically the provincial government has had a role. The question is what First Nations need in terms of training and skills and in terms of funding. The specifics of the breakdown and so on is not within the Ministry of Aboriginal Affairs, but as I said, I'll make inquiries.

Mr. Norm Miller: Certainly you see stories. There was a tragedy up in the James Bay coast last year where a police station burned and someone was killed. Most of the police stations are substandard. I know the province funds roughly 50% of the cost of aboriginal policing. Once again, we seem to have a situation where the province is playing a role in funding a good chunk of the services, but they're just not comparable to the services we see in the rest of the province. So something needs to change, I would tell you.

1010

Hon. Michael Bryant: Yes, and it needs to be—I said I'd make inquiries, and I have the answers; look at that. There are tripartite agreements, community and self-administered, and they set out the role of each level of government. Then, in terms of the split, if one level of government or the other isn't paying their fair share, you've made that point.

I see here that under the public accounts of Ontario, in 2006-07 Ontario spent \$25 million on federal-provincial First Nations policing agreement expenditure. The estimates for 2007-08 have been calculated to be \$30,693,700. Again, these are not details within the Ministry of Aboriginal Affairs, but I'm doing my best to accommodate your question.

Mr. Norm Miller: Last week, you had a press conference to do with the relationship fund. I think that was \$25 million over two years. I noted that some of the press were asking questions, saying, "Is this just a slush fund?" How are you going to measure success for that \$25 million over two years? I guess the danger is that it just goes to a bunch of Bay Street lawyers and nothing changes.

Hon. Michael Bryant: Exactly. I share that concern. I share the concern that it ends up being money for lawyers and consultants and in fact the benefits to the community are not there. The goal is to try and develop, within the First Nation and Metis leadership, in-house capacity. That's the goal. What we do is consult with First Nations and Metis leadership as to the exact process for the distribution of those dollars. I completely agree with you: The goal is to avoid that situation.

What's the measurement of success, in my view? It would be fewer dropouts on- and off-reserve from the education system and more jobs on- and off-reserve.

The Chair (Mr. Tim Hudak): Thank you, Minister. Mr. Miller, your time has expired.

To the third party: Mr. Bisson, you have 30 minutes.

Mr. Gilles Bisson: Welcome to our committee this morning, Minister. I have been looking forward to an opportunity to participate in your estimates. As you know, both in my constituency of Timmins-James Bay and the constituency of Howard Hampton, our leader, we represent a great number of First Nations who are undergoing very difficult times on all kinds of fronts. This is an opportunity to try to address some of those issues.

I want to take my time to go through what I think is the problem and to talk a little bit about what I think we need to do. Some of it you've touched on already, but first of all, we need to recognize where we come from and how we got to where we are today when it comes to the reserve system and how it doesn't work.

Years ago, as we started to develop—and I'll speak specifically of northern Ontario—the economy of northern Ontario, both in forestry, mining and hydroelectric projects, the developers back in that day—over 100 years ago—recognized that, as they saw it, they had a problem. They were coming up on First Nations who had not ceded their territory to the provincial or federal governments. The paper companies and sawmills and the hydroelectric and mining companies wanted to go up and do development and not have to adequately deal with the issues that First Nations face when it comes to how they benefit from the activities of mining, forestry or whatever it might be.

As I understand it, in talking to the elders in James Bay and across all of Treaty 9, Treaty 3 and the Superior Treaty as well, there is a real sense by First Nations that what happened back over 100 years ago with Treaty 9 is that there would be a sharing of the land, that there was going to be a new beginning and that they were not going to do what was starting to happen in the southern part of northern Ontario. In fact, it would be an agreement between the First Nations themselves as a people—and it wasn't specifically just Attawapiskat or Big Trout Lake; it was as a First Nation that the province and the federal government would have an agreement that as development occurred in northern Ontario and their traditional territories, there would be a sharing of whatever economic and social benefits came from those economic activities.

That was the backdrop by which people signed Treaty 9, as I understand it, in speaking to many of the elders who have a better understanding of this process than probably you and I do, put together. What has happened since the signing of at least Treaty 9 and, I would argue, Treaty 3 and others, is that the first 100 years went somewhat like this.

The first 50 of the 100 years was the federal and provincial governments, because we both signed Treaty 9, just ignoring our responsibilities. We just let First Nations do what they did, when they did it, how they did it for the last millennium, and we didn't care much about what happened. We had this treaty, and we would just go

ahead and do development, because at the time most of the development was happening further south of northern Ontario, in places like Cobalt, Sudbury, Sault Ste. Marie, Timmins and Thunder Bay, those kinds of places. All of those lands were First Nations territory as well, but for the reasons of how quickly the development happened, those developments went ahead, and First Nations people just went around doing what they normally did, and they wondered at what point they were going to benefit.

As provincial and federal governments started recognizing, in the 1940s, 1950s and 1960s, that development was going to be accelerated in some areas, we developed the reserve system. I say to this committee: It's the uttermost failure of our federal and provincial governments—mostly federal—to create a reserve system, because the effect of the reserve system was—and I think this is the policy; I don't know for sure, but this is my speculation: The federal government said, "If we take all the native people off the land wherever they might be and we put them on this postage stamp called a reserve and we promise them some housing, promise them some education for their kids and promise them some health care services and social services, they will come, because it might be a better life than they've got now, and they'll be out of our way." As we say in French, « Ils vont hors de nos pieds. On peut faire ce qu'on veut. » "They're out of our way," as they would say.

The historic reality is that many families—and we need to understand that people operate as families in First Nations very much more so than we do in our own culture—started to decide, "Life is getting tough, trying to trap and trying to hunt as a way of sustenance for our family, and we see the economy in Canada and Ontario developing and we want to give our children an opportunity to do better than we did." So a lot of people took up the government, and said, "Yeah, sure; I'll move on reserve." They went into places like Attawapiskat and Big Trout Lake and Pikangikum and various reserves and started to establish themselves there.

The irony, where I come from—and the minister would know this—is that the federal government and the provincial government, in their wisdom, built all of the communities in the lowest-lying areas they could find on the James Bay. All of the native leaders were saying, "Hold it a second. That floods every year or every three years. Why are you building a community there?" The federal government said, "We know best because we're the federal government. We're so bright." They went ahead and built the communities in the lowest parts of the land that they could find on the James Bay. Why? Because they needed to barge all the equipment in, and the only place they could get the barges in for sure was on the lowest-lying land closest to the bay. For the last 50 years, we've been seeing, at least every two or three years, an evacuation of some type. In fact, in my constituency, almost every community on the James Bay had to be evacuated this year because of the water levels, but that's to talk about a little bit later.

As we go forward, the last 50 years of the treaty have been abysmal as well because, yes, we built some hous-

ing on-reserve and, yes, we provided for some education and, yes, we've provided for some social services, but we did so pretty badly. I invite any member of this committee and anybody working for the ministry who's here today to accompany myself or Mr. Hampton and to go and live in any one of our landlocked communities for a week. Just come. I'm sure that families will take you in gladly. When you come, bring your children, bring your spouse, do your groceries there, and live on-reserve for a week to find out what you're going to find.

Here's the picture: You're going to have houses that were built for a family of five with as many as 20 or 25 people in the house. Tell me how a young child learns anything in school when you come back to a home with 20 people in it. Why? Because we've not kept up adequately with the need for housing. Communities have gotten larger because families have gotten larger and the federal government, quite frankly, has dropped the ball and has not provided the type of funding we need in order to move forward with adequate housing.

Then go and buy some groceries at the Northern store, where you pay five times the price that you would here for any product. You'll be lucky to find fresh fruit and vegetables in any Northern store, in the most northerly communities. And we wonder why there's a high rate of diabetes within First Nations communities?

1020

Then send your child to the school to find out, as Mr. Miller pointed out, that a great many of our schools are closed down because they've been contaminated by mould, and that the infrastructure there in the system is inadequate and is not providing for people to graduate from grade 12.

Hang on to your socks. In some communities, over 50% of the kids who are registered in the primary school at the beginning of the year aren't there at the end of the year—in primary schools. We're talking about kids in grades 6, 7 and 8. In some communities, over 50% of the children enrolled in September are no longer in school by June of the following year. How do you send a child off to high school, college or university when you haven't even done the basics right?

You say: "Why are the kids not going to school? It's all their fault. The parents should whip those kids into shape, and we should make sure that they go to school." The reality is that they're living in houses that are overpopulated, so that there is sometimes turmoil in the house because of various other issues having to do with what's going on in the community, and it manifests itself back into the family. You have a lack of infrastructure in the community, where in many cases the kids don't even have a place to go and play hockey or play some soccer in the summer. There's really no social and sports infrastructure to give those children some way of being able to use the energy that all kids have in all of our communities. It's a pretty bad situation.

We look at policing services within our communities. Mr Miller pointed this out: 50% of the funding for NAPS policing—Nishnawbe Aski policing—is provided by the

province. There is but one community in my constituency that has a proper facility for policing, and that's at Moose Factory. Every other is operating out of basically a trailer or double trailer, or what used to be an old house. In the case of Kashechewan, where we did have a tragic fire some three years ago and two gentleman died because they were in lock-up, basically, they couldn't unlock the jail cells because there were no jail cells. What it was, was a chain and a lock basically wrapped around a makeshift door that made the jail cell. When the officer went in to try to unlock the padlock on the chain when the fire started, he was not able to do so because the flames were so intense that he couldn't grab the lock to unlock it. There isn't even a minimum standard when it comes to how we build jails in First Nations communities. You talk about social infrastructure—lacking again.

Just before I get off where we're at and before I get to where I think we need to go, the leadership over the last number of years has been developing itself in the sense that they've had to learn how we, as the provincial and federal governments, operate and how they're able to interrelate with us in order to try to advocate and advance the issues around education, housing, social infrastructure, water and sewer education etc. They have been working very hard to figure out how to make that happen.

I want to say that there's been a lot of progress. I can tell you, in the time that I've represented Timmins—James Bay, as far as the James Bay portion of the riding—that was a portion of my riding I guess about 10 years ago—I see a lot of progress. I look at communities like Fort Albany, where they built the Peetaback Academy, where we do have a brand new school and that school is well-maintained—kids go to school in the morning and they come back at night in greater numbers than they do in any other community—and how there, the teachers, the administration and the local education authority, under Danny Metatawabin, have been doing some very good work, trying to address some of these issues.

But I look at communities like Attawapiskat, Kashechewan, Peawanuck and Martin Falls—huge problems. The leadership is trying to figure out and had been working on trying to develop solutions to the problems within their communities. They've come to the conclusion that they can't wait for the federal and provincial governments, quite frankly, to do it for them—because they have been doing it to them. They need to find their own solutions, and they need to develop solutions that are going to work for them within their own context of who they are as the years move forward.

They've also come to a second understanding, and that is: "It's not enough to fix the social infrastructure in our community. We need to have some sort of ability to generate our own revenue and to give our own people work so that we have the capacity within our communities, to a degree, to deal with many of these very serious issues."

That's why the leadership, over the last 10 years, has been moving toward revenue sharing. That's what that's all about. I remember, as I first started representing the

James Bay, that there was no unanimity within the leadership or within the communities on the issue of what revenue sharing should even be. It was a concept that was beginning to be discussed, trying to move the concept forward in some way. I'm proud that I've been able to bring to the Legislature twice now a motion under the Conservatives and a bill under the Liberal government that has been a catalyst in starting that discussion within First Nations communities so that they can try to formulate what it is that revenue sharing should be and what land use planning should be so that they can properly benefit from what the original intention of the treaty was, which is: If there's going to be mining in Attawapiskat, it shouldn't be up to the community to negotiate an IBA, an impact benefit agreement; it should be an automatic right that there is a process of consultation, there's a process by which the First Nations work with the mining company or the forest company or the hydro development initiative, and that there are some mechanisms for them to share in the jobs that are available, the economic opportunities as far as businesses that are available, and that the revenue that comes from those projects is returned to those communities in some way. Our First Nations recognize that if we were to do this, it would be a huge step forward in trying to resolve some of the issues within the communities.

They're trying to do it. They're out on the front lawn today. All of us have come walking through Queen's Park. We've seen the tents and the teepees out in front of Queen's Park. Chief Donny Morris from the KI-6 is here, along with the others who were incarcerated for having said to a mining company, "No, you just can't come in here without talking to us. You need to deal with this adequately so that we can talk about what this is going to look like and what it's going to mean to our community and where we position ourselves vis-à-vis whatever economic opportunity may come out of your exploration activities." Unfortunately, those individuals were jailed for doing that. They're here this week because they're waiting for the appeal to go forward on Wednesday.

The leadership and the community members who are here today in front of Queen's Park are saying, "We're not going to sit back as we did for the last 100 years and allow development to happen in our territories and be left behind. Ain't gonna happen. And we will do what we need to do as First Nations." We need to recognize: They're a peaceful people. We are so lucky as Canadians that First Nations people have a very different ethos when it comes to how they deal with things compared to Europeans. If it had been the Europeans in the position of the First Nations, I can tell you that there would have been a lot more than protesting going on. They're a peaceful people, and they're trying to find, within the context of Canada and Ontario, solutions to very serious problems.

They're saying that one of the key, fundamental things that the province needs to do—because it is the province; it's not the federal government. Mining and forestry are provincial responsibilities, and so is hydro development.

They're saying, "We need a new deal. We need to sign a deal with the province"—not with the mining companies; with the province—"that says how development is going to happen." For example, the simple thing we can do today is to pass a regulation under the Mining Act and say that there "shall" be consultation by an exploration company prior to staking a claim; that no claim will be registered by the province of Ontario until the province is satisfied that the First Nation has been consulted and has signed off on whatever is going to happen—not every environmental group and everybody else who's interested in what happens north of 51; the First Nation. It's their territory. We could do that tomorrow. We don't need a change to the Mining Act to do that, quite frankly.

I very much fear, and I'll put it on the record and I've said it to the leadership, that the government is going to engage the First Nations in a long process of consultation in amending the Mining Act as just another way of slowing things down so that at the end of the day we can muddle things so badly that whatever comes out at the end will really not be meaningful when it comes to giving First Nations an opportunity to share in both the planning in and the benefits from mining and forestry. That's my view, because I've seen it before. As I talk to the elders in all of the communities, that's what they've seen for the last 100 years of Treaty 9—105 years, I guess, now.

1030

So what do we do? I think there are a couple of things that are basic that we need to do. One I spoke about at the beginning that I'm not going to dwell on anymore is that we need to deal with revenue sharing in a very effective way. The first thing is, make a regulatory change to the Mining Act that says, "No staking of claims unless First Nations have been consulted and they've signed off on the plan." That would be a very easy thing to do.

Two, the government would have to state very clearly, and the government has moved somewhat in that direction—I'll give you some credit—toward engaging not just in the process of the northern tables but basically in making a declaration upfront that we categorically accept the premise that these territories have never been ceded, that the provincial government understands that we're supposed to share the benefits of the resources that are on those territories and that we will negotiate with you both the process by which development will happen, in other words the planning, and that there is going to be an economic benefit to the community when it comes to revenue sharing, jobs and business opportunity.

How much time do I have?

The Chair (Mr. Tim Hudak): About 12 minutes.

Mr. Gilles Bisson: Okay. I'll probably get through this. If not, maybe I'll throw myself on the mercy of the committee.

I went through the process of the De Beers Attawapiskat IBA, and I'll tell you, I'm going to give De Beers publicly, and I've done it privately, great credit despite what the province did both under the Conservatives and under the Liberals, which was minimal, to be extremely

blunt. I was part of the process. De Beers Canada said, "We will not develop any mining on the Victor project. No project will go forward until we have an agreement with the Attawapiskat First Nation." That was a statement they made at the beginning. They weren't forced to do that by the Mike Harris government, and later on were not forced to do that by the McGuinty government. De Beers understood that this was the right thing to do, and it's been a very expensive process for De Beers to go through: I would estimate about \$30 million to negotiate that agreement—not what was negotiated, just on the process.

The First Nation has had a really difficult time, because what do you do when somebody knocks on your door and makes this statement: "We're prepared to do business with you," and you don't know what a diamond mine is? You have to develop the capacity—and the minister is right. I don't think what you've announced is going to get us there, by the way, but that's a whole other issue. You need to develop the capacity to know what a diamond is. How much is it worth? How do we get benefit out of it? What kinds of agreements can we make with De Beers that we benefit from?

I want to see a day where we don't have to have IBAs. It shouldn't be up to the mining companies or the forestry companies to negotiate each individual project in the way we did with Attawapiskat. There should be more of an automatic right by way of legislation so that we clearly understand, going in, if you're a mining operator, forestry or whatever, what the rules are and that there's a benefit that will go back to the community.

On the question of education, I want to say upfront that the education system on the reserve is not serving our First Nations kids, definitely not. The federal government knows it and is doing squat about it, period. To Mr. Prentice, Mr. Harper, Mr. Chrétien before that and every other Prime Minister before, I say we've known this for years and we do nothing about it. Who knows where the school is in Fort Severn? Who knows where the school is in Peawanuck or in Martin Falls? Have you been there? Obviously not, and I don't fault you for that, but nobody knows what those kids are having to deal with. They've just now reopened the school in Martin Falls, after being closed for four months. There goes the school year. If that happened anywhere else in Ontario—it never would have happened. The federal government does nothing.

So what do we do? I think we need to engage with First Nations. I've been talking to First Nations about the concept that, if I was Premier of Ontario, the Minister of Aboriginal Affairs or the Minister of Education, I would talk to First Nations about creating an education act for First Nations that allows them to create their own school boards under provincial authority. But it would be enabling legislation. I wouldn't tell them how to do it and when to do it. I would say, "Here's the legislation that basically gives you the right to go out and do it. We will negotiate with the federal government the fiduciary responsibility, that quite frankly they don't take, and we

will give you the opportunity to create your own school boards in whatever way you think makes sense." It makes no sense to me that you have a stand-alone local education authority in each individual community that is a First Nations community reserve.

Do we operate our schools like that in Ontario? Can you imagine, if in Opatatika, Kapuskasing and in every small town and city across this province we had stand-alone education authorities for individual schools, how unproductive that is? It doesn't work.

So I say that if the province wants to do something constructive toward education, we say to the First Nations leaders, "When you're ready, we're prepared to introduce enabling legislation that creates your own school boards. You determine how big that board's going to be. It might be five communities, it might be 15 communities. You have to decide for yourselves, according to your own language and according to your own geography and other needs." Then we need to do what we did with francophones. What the hell are we doing educating kids in English when they're Cree? I'm telling you, people in my community don't speak English as a first language. In the James Bay, they speak Cree. That's the language they learnt at their mother's knee. You need to do education in a language that the child is most comfortable with, because that does a whole bunch of other things, like making the child feel better about who he or she is and giving them a better understanding of their culture and who they are and making them more confident. Listen, I didn't learn English until I was about nine years old and I speak it fairly well today. I didn't need somebody to teach me how to speak English in Ontario. For God's sake, it's all around me. But I went to school in French. If I can stand in this Legislature today and have the confidence to do what I do, it's because I had the basic education, coming into this, that gave me the skills that I needed when I went off later on to college and other things. So I say, enabling legislation on education.

The question of policing: We can do something really simple. The Nishnawbe Aski policing came to the Solicitor General earlier this year and said, "Listen, we have a \$25-million request that we want to put to the province and the federal government to build infrastructure in our communities so that our police officers can have the training, the staffing, the equipment and the buildings, such as any other police station and any other police service has in the province of Ontario." Mr. Bartolucci said, "Well, as soon as the federal government says yes, we'll be right there." Hell, they've been saying no for 100 years. When are you going to figure it out? The federal government doesn't want to fix this. The federal government wants to perpetuate it. So if you want to do something, Minister, go talk to Mr. Bartolucci and say, "Here's our \$12.5 million. It's on the table. We're giving it to you now," and tell the federal government to get off their behind and do the same. The longer we play the game of waiting for the federal government to do something, it's going to be another 100 years of nothing. Quite frankly, we, as a province, have to take the

leadership. So when we want to do something when it comes to policing, put up the 48% that we have to put up as our share toward policing and, I'll tell you, it'll force the federal government to put their end forward. If they don't, I'll be there knocking on the door with you, Minister. I can organize a bunch of my friends to go to Ottawa and we can show them to be the delinquent landlords that they have been for the last 100-and-some-odd years.

I'm a bit peeved off because, yes, I do go live on-reserve on a regular basis with my friends and I'm ashamed to see what I see in those communities, not through any fault of the First Nations, but through the fault of federal and provincial governments that, quite frankly, have not dealt with these issues.

I don't have much time.

The Chair (Mr. Tim Hudak): You have about five minutes.

Mr. Gilles Bisson: The other thing I want to raise—and I'm going to have some specific questions for the ministry later—is the issue of social services. We signed, as a province, what's called the 1965 agreement in 1965 that basically says that social services, such as children's aid and others, are delivered by the province but are paid for by the federal government. The federal government sends the cheque.

You want to do something fairly clear and fairly fast? My understanding of the 1965 agreement, unless I'm wrong—and this is what I want to find out through these committee hearings—is that if the province was to spend more, the federal government would just give us more. That's the understanding I've been given by people within INAC, Indian and Northern Affairs Canada, who tell me this privately. Some of the fairly high-ranking officials have said they've never understood why the province has not done so. I'm not saying, "Let's go out on a spending spree," but I'm saying we've got some real serious issues, for example, in children's aid, that we need to deal with. There's a high level of dysfunction in some of our communities because of the residential schools syndrome, because of the alcoholism, because of the isolation and now because of the crack problem, and it's manifesting itself back in the families. If we see children not staying in school, this is part of the issue. We need to do some pretty aggressive stuff around wellness and healing. We need to do some aggressive interventions, as far as helping kids and helping families. If it is the case that the 1965 agreement allows us to move forward and to provide better services in our communities and the federal government has to pay, let's do it. My understanding is that we can.

So one of the things that I'd like to know from the ministry the next time our committee gets together is your understanding of the 1965 agreement. If the province was to increase by 10% or whatever it is within the confines of the 1965 agreement, am I correct in my understanding that in fact the federal government would have to pay? Also, I would like to know exactly what services are covered under that agreement.

I'd just end on this point and go back to the issue of flooding. I'm going to get chances to ask questions later. But the Minister of Aboriginal Affairs had agreed in principle in the House that we would form a legislative committee in order to go to James Bay this summer sometime and also to sit in Toronto to meet with experts for a short period of time to talk about how we're in this mess now and how the hell we get out of it. Are there things that we can do?

I'm just going to give you a very quick example. In Fort Albany, we built I think 20 brand new houses. They put basements in them, on a flood plain. Everybody in the community said, "What are you doing putting basements in? You don't build basements here," and the federal government said, "No, no. It says you have to have a basement." So they built houses with basements and they all got mould infestation. A changing of the building code would be a very simple thing to do in some cases.

I think it would be very instructive for us as a province to charge one of the Legislative Assembly's committees to travel and to sit down and talk to people, see what they might have to say to us, and talk about the psyche of living in a community that's never felt permanent, because you're being evacuated. Kashechewan: They've been evacuated four or five times in the last five years. Imagine what that does to you.

I want to thank the Chair for his indulgence. I look forward later to the responses by the minister and the opportunity we'll have to ask direct questions.

The Chair (Mr. Tim Hudak): Mr. Bisson, thank you very much for the presentation. Well done, as always. The minister, I noticed, was copying down your questions about the 1965 agreement and will come back to committee.

Minister, if I can suggest, now that you have 30 minutes for wrapping up your opening comments and responding to the official opposition and third party, I'd like to do these in blocks. There's no sense in you doing the three minutes and then 25 minutes this afternoon. Why don't we adjourn the committee at this point, and we'll reconvene—

Mr. Gilles Bisson: I could have taken another three minutes.

The Chair (Mr. Tim Hudak): He'll just get on a roll, and then we'll have to cut it off. We'll just give you the 30 minutes at 4 p.m. this afternoon.

I apologize to Mr. Lynch, the CAO—I said "ADM" a bit earlier on. Deputy Sterling, thank you very much. We'll see everybody at 4 p.m. We are adjourned until 4 p.m. this afternoon.

The committee recessed from 1042 to 1605.

The Chair (Mr. Tim Hudak): Good afternoon. The afternoon session of the Standing Committee on Estimates on Tuesday, May 27 is now in order.

When last we met, we were about to return to the minister responsible for aboriginal affairs for his 30-minute summation. Minister, you can use that 30 minutes to respond to the issues brought forward by the two

opposition critics; you can use it to speak about other issues with respect to your ministry. You don't have to use the full 30 minutes, but you certainly have 30 minutes at your disposal. We then, according to procedure, will go to the official opposition in 20-minute segments: Mr. Barrett, Mr. Miller or Mr. Dunlop, if he's here, then Mr. Bisson for 20 minutes and then the government members for 20 minutes, and then we will do 20-minute rotations going forward, likely until the end of our time with aboriginal affairs.

Mr. Gilles Bisson: What gives? The House just rose.

The Chair (Mr. Tim Hudak): Yes. What are you going to do? The hardest-working members will remain in the committee here and the rest of them take off early.

Interjections.

The Chair (Mr. Tim Hudak): There are new rules. We are here until—

Interjections.

The Chair (Mr. Tim Hudak): We are here until 6 o'clock. In the interests of getting through the estimates for aboriginal affairs, why don't we begin? Minister, the floor is yours for a 30-minute response.

Hon. Michael Bryant: Thanks very much, Chair. I want to thank the aboriginal affairs critics for the official opposition and the New Democratic Party. I thought it was a frank and productive exchange of ideas about not just the government's approach but the general approach in the future with respect to making advancements on many shared goals.

Without anticipating questions from Mr. Bisson, the aboriginal affairs critic for the third party, and from the official opposition, there was reference to the Anishinabek economic blueprint, and I did make reference to my support of it. I neglected to mention the great work that had been done, of course, by the nation itself, by the 42 member communities. Also, I think the question arose about what the government is doing to support it, which is a good question because if we think this is a great approach, we need to support it.

In advance of the release of the report in support of research and otherwise, the union of Ontario Indian chiefs received dollars from the Northern Ontario Heritage Fund Corp. to develop the plan and identify the business ideas and models and opportunities, and that's in a very comprehensive plan set forth. It's a three-phase project that does involve additional research and a review of the proposed strategy by economic experts and a presentation of this strategy to communities throughout those 42 First Nations.

I should say that the leadership of Grand Chief Beaucage, himself an economist by trade, with respect to this blueprint and the support from the provincial government—and I believe the federal government is certainly very interested in supporting it as well—does bode well for that particular economic blueprint. Of course there's no reason why, as Grand Chief Beaucage has said before, it cannot be a blueprint more generally speaking for First Nations, no matter where they are in Ontario.

I wanted to make some additional reference to the Ipperwash commission recommendations and their implementation. After a lengthy and comprehensive public inquiry takes place, there's obviously interest in implementation as soon as possible. There's enormous consultation that goes into a public inquiry because, as I said before, of the multilateral, collaborative approach that the government is seeking to take with First Nations and Metis leadership with respect to the implementation of the Ipperwash commission report. The question then becomes, how much consultation do you have to take to implement something that was the subject of enormous consultation?

1610

Grand Chief Beaucage, on behalf of the provincial-territorial organization wherein Chief Bressette's First Nation sits, and Chief Bressette and Regional Chief Toulouse indicated that no, there wasn't a necessity to rehash the entire report, but rather to come to some agreement on the priorities timing-wise and to work together on what the government could do over at least a four-year period and try to put together a timetable.

The group that was put together at the request of aboriginal leadership had membership on it that was determined by aboriginal leadership. The name of it is the Ipperwash Inquiry Priorities and Action Committee. There is representation from First Nations leadership and Metis leadership.

We met separately and dealt with the First Nations implementation separate and apart from the recommendations as they apply to Metis people. The goal was to assess the recommendations and prioritize. The first meeting happened in the first week of April. As a result of the discussion, the decision was made to immediately work on the development of the new relationship fund to provide the community capacity that we talked about, since all of the recommendations that we wanted to move forward on—in order to have a collaboration from First Nations and Metis people, it meant that they needed to be in a position where there was equal footing, or at least there was some assistance provided so that decisions could be made with full realization of the implications, and also to provide the research necessary to implement them.

On May 15, we announced the initiation of the fund. I'm not going to repeat what it's about because I've already spoken to that. It's a \$25-million commitment over two years. Again, to speak to Mr. Bisson's comments, it was, you might say, an initial payment for the two years. In fact, the fund itself will take, in collaboration with First Nations and Metis leadership, some months to set up. It will ideally be set up and operating in the winter, with the implementation beginning for the communities involved in the Ipperwash implementation committee in the fall. The meetings are being conducted by a joint First Nations Ontario Ipperwash park resolution table. That's to implement the transfer of Ipperwash Provincial Park to the Chippewas of Kettle and

Stony Point First Nation that the government announced on December 20.

The idea of this table, as the jargon goes, is to try and find a way for the First Nation and the neighbouring communities together to determine how the land is to be used, if Ipperwash park is to be used. Right now, it's a potentially beautiful and great piece of land, but anybody who's seen it as of late will see that it's sort of an overgrown, empty lot. The relations between the neighbouring community and the Chippewas of Kettle and Stony Point First Nation have been rough as a result of what happened in 1995 and thereafter. There are tensions between the communities that were acknowledged by Chief Bressette. The goal is to try and get a community where the relationship has been rough together at the same table to try and work to determine together how this land might be used jointly to the benefit of both. That will be for them to decide, whether it has a primarily economic use, a business park, so to speak, or whether or not it is used as a park; to determine how revenues might work; to determine if it's a combination of the two. At the end of a period of time, which again would be negotiated and determined by the people who are involved here, the people who live there, the title would eventually transfer to the First Nation, but there would be this interim period of joint management of it, and again, the idea of—

Mr. Gilles Bisson: Just on a point of order: I'm getting a little bit uncomfortable here. We have some guests who have come in to listen to these hearings and now we've got security walking in the room. I'm a little bit miffed. These are law-abiding citizens who are here to listen to what's happening at estimates, and there's a whole commotion going on with security right now that, quite frankly, offends me.

The Chair (Mr. Tim Hudak): We'll continue with the minister's remarks. The clerk and I are discussing, because we have more people here than we have seats. We're going to see what we can do about arrangements and such.

Mr. Gilles Bisson: Well, that's fine. We don't have to call in the troops because the First Nations people are here. Do you get my point? This is quite offensive.

The Chair (Mr. Tim Hudak): Fair point. I appreciate that.

Hon. Michael Bryant: Actually, while I was speaking, I didn't realize that the gallery filled up, so I want to welcome everybody. I appreciate that we have a capacity group, and I appreciate what Mr. Bisson said. In any event, I'll just continue, I guess. Does that make sense, Mr. Bisson?

Interjection.

Hon. Michael Bryant: The unit that will be consulting around the use of this land would be a first step in creating this alternative process to reconcile aboriginal issues to better understand differences. The government is looking at the issues from the broader perspective, not just government to government—First Nation to government—but also with respect to the outlying commun-

ity. Chief Bressette, I think quite rightly, indicated that he wanted to work well with his neighbouring communities. The vision of the dispute resolution unit, again, would see partnerships with the communities, aligned ministries, federal agencies and the neighbouring communities to mandate and assess the issue and establish a response.

The government believes, as I said before with respect to the legalization of our relationship and the desire to move away from legalizing our relationship, that the best result is to negotiate as opposed to litigate. The best example I can provide of that is the experience around the gaming agreement, and I guess the experience around the agreement to transfer Ipperwash Provincial Park. Amongst other things, it acknowledges the important relationship between First Nations, Metis and the government. But also, from a timeliness perspective, probably from a cost perspective in terms of legal fees and otherwise, but maybe most importantly from a relationship perspective, a litigation process is necessarily an adversarial process, whereas a negotiation process starts with the assumption that everybody wants to come to an agreement. The experience with the negotiating committee with respect to the gaming agreement, and also with respect to the transfer of Ipperwash park, was one where the government is listening, as opposed to advocating its position, and also one where the relationship incentive, plaintiff and defendant—and instead of applicant and respondent, it's government to government.

Moreover, I don't think we could say the litigation approach has been a success, other than the fact that the Supreme Court of Canada, starting with the Dickson court and then the Lamer court in particular, developed a set of jurisprudence that acknowledged activity rights—fishing, hunting, commercial fishing, commercial hunting rights—and land title. It framed this fiduciary doctrine, this fiduciary relationship, which was Chief Justice Dickson's best effort at trying to describe in legal terms the nature of the relationship: one of trust, one recognizing the history, the culture and the heritage. But it's ultimately an imperfect description, I think most courts would agree, because it's a legal description that really doesn't get fulfilled until you have First Nations governments and provincial and federal governments actually negotiating through and working together on issues in a multi-lateral way.

1620

Because of the legalization of these issues, I often found myself having conversations with leadership where we talked about the fiduciary doctrine and the fiduciary relationship. Instead of sometimes focusing on what we need to do, it may be providing assistance to that school that's got nowhere to call in Ottawa, as was said by Mr. Miller. There's no one in Ottawa who's able to pick up the phone and say, "Here's the best practice with respect to the implementation of language immersion," for example, if you focus on what the fiduciary doctrine is and you're thinking about who's responsible and whose rights, and is this a provincial or federal fiduciary responsibility?

Besides all that, “fiduciary” is not exactly a word around which you can provide some meaning or that most members of every community could connect to. It’s a legal term. It’s a term of equity, and it’s used primarily in a commercial context. It’s used in a somewhat paternalistic context in some ways and, yes, it is a legal description. But better yet is the one where we get together and come to agreements and solutions. Thus, the approach of negotiation.

It means that governments need to take more risks. Typically, the concern is that a particular statement or action made in a negotiation or made here at estimates, in or outside Parliament, is somehow going to have an impact, which it may have, on ongoing litigation. But that just paralyzes governments, I believe. It means that no progress is made because of a fear of potential massive liability. So it does require some risk taking, you might say. Some might say common sense.

We’re making progress, but obviously there are significant challenges. I will acknowledge that Regional Chief Toulouse and Grand Chief Beaucage and others have said that there has been progress made in the relationship between the government of Ontario and First Nations. But I certainly have never meant to suggest that it’s anything other than progress. The history is Canada’s great embarrassment. The history is one which involves governments at both levels that didn’t fulfill obligations, didn’t fulfill promises, efforts by the federal government to assimilate through most of our history, efforts to impose unilaterally a particular way of life or a particular vision of government upon First Nations.

As an example, Haudenosaunee Six Nations leadership has said to me that if you want to trace back to when there became significant discord within the community, and between Haudenosaunee Six Nations and the federal government, it was in the 1920s when the federal government came in and said that this tribal council system that had been in existence for longer than Canada had been in existence—one that many people have recognized, in hindsight, as one of the earliest North American democracies. It was just willy-nilly replaced with a band council, an Indian Act model. It wasn’t their history or heritage and it wasn’t the model of the people. Ever since then, Haudenosaunee Six Nations has had this divide between band council and tribal council.

Right now it is working, according to members of Haudenosaunee Six Nations, better than it has in the past. You have a real partnership between band council Chief Bill Montour and the tribal council in an effort to work together and divide responsibilities. But, yes, we make progress, which is not to say that there aren’t any credible numbers of challenges, all of which we will not solve in the next few years. But in this race against time, I believe very strongly that we have to make progress as quickly as possible.

Some discussion has been made with respect to the demographics, again to use the jargon. The fastest-growing population in Canada is aboriginal peoples. The significant increase in numbers is also reflective of the age

difference. Whereas the non-aboriginal population is aging overall, in terms of the breakdowns, you have in fact a majority of the aboriginal population which is quite young. I understand fully that tolerance for patience and negotiation amongst the younger generation is not that of their fathers, grandfathers, mothers and grandmothers. Thus the need for real action.

So we try to build relations, particularly with those First Nations where we’re in the midst of a conflict or a potential conflict. That means making investments that might have been long overdue and might have been put aside over the years because of the conflict. So the investment that has been made for economic recovery in Caledonia and Haldimand county also sees investment, such as was announced yesterday with respect to the addition of dialysis machines to the medical facility on Haudenosaunee Six Nations, which means people in that region and in those counties won’t have to go to Hamilton and Brampton, necessarily, but will also be able to get that dialysis, sometimes three days a week.

The Chair (Mr. Tim Hudak): Minister, just under 10 minutes remaining.

Hon. Michael Bryant: Okay. The addressing of Highway 54 and all of its potholes, and the fixing of Highway 54, is again a long-standing annoyance, grievance, commitment that the government has made investments to try and fix.

The land claims in the Caledonia area, along the Grand River in the Haldimand tract, is where the real disputes are. Right now, the offer by the federal government that’s under consideration at the negotiating table involves the Welland Canal. I think it was the goal of all the negotiators from Haudenosaunee Six Nations—and provincial and federal—that progress be made on a claim so that there might be progress on other claims. There has not been significant progress on that claim.

We still aren’t in a position right now where, in my view, the federal government has put the emphasis and the importance on resolving the Haldimand tract claims. I do believe that everything traces back to those claims. All the other problems that have arisen come back to those claims. In my view, if you’re able to get resolution on those claims, everything else will fall into place.

I don’t get the sense—in fact it’s clear—that the federal government is not giving it the priority that I think it ought to. I don’t know what it is. I don’t know if it’s the geography. I don’t know why. The federal member of Parliament, the Honourable Diane Finley, has said she doesn’t want to talk about aboriginal issues or agricultural issues. So I guess there shouldn’t be surprise that there isn’t a focus on that from the federal perspective. It’s my submission that that needs to change.

The government also—and there’s been some discussion. I’m sure there are going to be some questions as well with respect to reforms to the Mining Act, to resource benefit sharing and with respect to far north planning. They’re all inter-related in the sense that it’s about how to deal with the issue of resource extraction, how to deal with the issue of the subsurface rights that

the provincial crown has and the sharing of those with First Nations, again with the view to not just providing that net revenue but also to providing the economic incentives for greater development where there is collaboration and agreement.

1630

The commitment to modernize the Mining Act, which everybody agrees is outdated, and the undertaking by the Minister of Northern Development and Mines to review the Mining Act does build upon the aboriginal consultation discussion paper, which I think I made reference to previously in a question from, I think, Mr. Miller.

The issues we spoke of previously revolve around on the one hand recognizing that a number of First Nations are in very positive partnerships—the Anishinabek example, being one where there is training and jobs and sharing of revenue, is good news—and on the other hand, unilateral action by typically a junior mining company that runs roughshod over First Nations governments, doesn't consult with First Nations governments and imagines that not only the special relationship that is shared with First Nations isn't respected but also that they can somehow do business with a neighbour without establishing a good relationship. This has been the exception, but nonetheless it has resulted in very tragic, unjust and frankly wrong results. Amongst other things, that's why we need changes to the Mining Act.

The coming months will see decisions made around the nature of the consultations and the discussions, the timing around resource benefit sharing, Mining Act changes and far north planning. Certainly I've heard loud and clear, particularly from Mr. Bisson, that we need to get on with this. Obviously, on the one hand, it has to be done in a multilateral and consultative way; on the other hand, we need to get these changes under way and eventually before the Legislature.

I guess I'll just wrap up again in the couple of minutes that I have remaining by repeating that we believe that as a provincial government, our best contribution and our focus is an act in addition to addressing historic grievances and improving the relationship. It's also to improve the economic conditions and ultimately withdraw the need for any dependency on government spending, instead seeing stronger relationships that proffer economic development opportunities for aboriginal and non-aboriginal communities alike, but ultimately to support the notion of economic self-determination in these communities, formally speaking, through self-government.

In a word, the resolution of land claims, of grievances, of treaty claims, and the determination of the best delivery of services around education, health and housing are all, I believe, an interim measure en route to what ultimately requires agreement around self-government. Otherwise, it is going to continue to be the history that it has been to date, which is a bad history. With self-government as the goal—and this is something, obviously, that primarily involves federal government action, which the provincial government certainly supports—we'll see the self-determination and independence that's necessary

to reflect the original relationship, and ultimately the just relationship.

I'd be happy to take questions.

The Chair (Mr. Tim Hudak): Terrific, Minister. Thank you very much for your summation.

Just to update the members, we are joined by a large number of people from the general public. What we're trying to do is to get an overflow room in case there are more people here than there are chairs. Right now, it looks we're in good shape, but if we're joined by more guests we'll have an overflow room.

Mr. Bisson, I appreciate your question about security. We do have members of security who are in the gallery or public places. I'm not going to tell them to come to or leave the committee. They're not currently present, I think, but we are having a good meeting here today, so I'm just going to proceed.

Now we'll do our 20-minute rotations of questions, beginning with the official opposition, followed by the third party and then to the government members. Mr. Barrett, you have 20 minutes.

Mr. Toby Barrett: I think we do have a good opportunity, with a number of hours coming forward now that we're going into the question section, for the estimates committee to provide a bit of discussion—a structure for discussion, really. Maybe we can get to the bottom of a few issues. It's very good to have a full house as well.

As MPPs, we receive briefings—I know of one briefing that we received in the spring of 2005, entitled *A New Approach to Aboriginal Affairs*, made available to us by the Ontario Native Affairs Secretariat. Of course, much of the approach is based on ensuring that we have workable channels of communication, and the ever-present need for communication with respect to aboriginal issues, communication between all players and all sides and, of course, this provincial government and the federal government.

Just drawing from that brief—this would be a case study, if you will. I know the minister made mention of Caledonia and Six Nations, the Haldimand tract. Back in 2005—in fact, this came out in the spring of 2005. As I recall, probably in the fall of 2005, there were protests set up on the side of Argyle Street, right adjacent to what is known as the Douglas Creek Estates. Being local, we were aware of these; I'm MPP for the area. I guess the question is, was the ministry—or, at that time, the secretariat or the minister responsible—aware of the protests? And was there communication then with people at Six Nations, with the elected council or with the federal government? This is six months before the actual occupation.

Hon. Michael Bryant: Well, let me do my best to try and address this in this way. With respect to what's in our estimates, there isn't any information within the estimates of the Ministry of Aboriginal Affairs for this year that would proffer that information, nor was I the minister at the time. Certainly, the member is open to ask this in question period. I'll make inquiries, I say to the member, but from an estimates perspective, it's just not

something that I have here or that the ministry's going to have, regarding numbers.

Mr. Toby Barrett: That's fine. It did come up in Parliament as well, in a question. Much of our information comes from area newspapers. I know that the Teky indicated that Chief Dave General—the chief, then, of Six Nations—had written to the minister responsible. Again, it indicates to me—now, we're just going by a newspaper article, and maybe we can find out later. But if you had received a letter like that, is that your responsibility? Is it the federal government's responsibility? Does the municipality deal with these kinds of roadside demonstrations? Not that they were blocking traffic or anything, but it was obviously a warning sign—

Hon. Michael Bryant: I was taught to not deal in hypotheticals, and so I'm afraid that I can't speak to that one.

Mr. Toby Barrett: That's fine. We do know that the following—it wasn't quite spring, as you know; February 28, 2006, the same site was occupied. I know myself, as a local member, that a couple of the key people who led that occupation—Dawn Smith and Janie Jamieson—had gone before Six Nations elected council during the winter. They had approached the confederacy chiefs as well. In my understanding, they did not have the support of the Six Nations leadership, but went ahead with this action anyway. So as we get closer—February 28 is the date I think we all know, and that has received unprecedented publicity. At that time, was the Ontario government involved, or was this a federal issue? Where did it lie?

1640

The Chair (Mr. Tim Hudak): I just remind members of the committee that we do have the estimates before us for the ministry for the year 2008-09, so I ask members to put their questions in the context of the estimates that are before us today. I do, as Chair, allow a broad range of questions. It's important to explore a ministry's expenditures. There are considerable sums of money being allocated to the ministries before us. If we're visiting things in previous fiscal years, I do need to have the members put them in the context of the estimates that are before us. You're wondering how we got to a certain point, why there's money before us—it's in that context. Minister Bryant was not the minister at the time. You can ask him to do his best to answer the questions that are relevant, but if he wasn't the minister, then there's only so much he would know.

Mr. Toby Barrett: Again, I'm trying to make this simple and to follow chronological order. Of course, these issues go back 200 years, and at that time the government had a responsibility as well, as we certainly know. So I do present them in that context. There's an old saying that if we do not recognize our history, we're doomed to repeat it. But again, is this a federal issue or a provincial issue?

Hon. Michael Bryant: A couple of things: Firstly, the member is going through a timetable which involves the conflict. One of the things—I'm sure the member would

agree with this—that frustrates the community within Haudenosaunee Six Nations, and certainly many people in Caledonia have said to me, is that when this issue arises and the news clip plays or the photo is provided in the newspaper it's of that time of the conflict at its height, which would not be a welcoming photo or clip for those considering coming in and spending money and making investments and visiting Caledonia and visiting Haudenosaunee Six Nations, whereas right now the land that the member makes reference too is empty; it's vacant. There's occasionally an individual on it, or two individuals on it, but that's it. And while there's certainly a dark cloud over the community, figuratively, and tension that exists, the lack of a cohesive relationship between the Haudenosaunee Six Nations and the neighbouring community—it probably exacerbates things to imagine that things today are like they were then, which was the time of particular conflict.

On the federal-provincial front, as the member says, it's a 200-year-old disagreement about what happened and what was said and whether or not the promises that were made, with or without appropriate information or accurately, were even honoured by the crown. As is the case with the vast majority of land claims, the primary responsibility for the resolution is with the federal government. In this case, that's absolutely the case in terms of the evidence and the circumstances and the history. While there obviously isn't complete agreement on what happened—or else there wouldn't be a claim—it is acknowledged that this is primarily one which requires the federal government to address the claim itself.

Mr. Toby Barrett: Yes, and that's exactly what I was told. I heard about the occupation on March 1 and walked across the floor informally and asked your predecessor, the then minister responsible for aboriginal affairs, and it was very simple: "This is federal." We looked at the briefing books. This was a federal issue. On March 2, I left Queen's Park and drove down to Caledonia and walked in behind the barricades and was told very clearly—people there indicated that they didn't want to talk to me because I'm provincial. Why was I there? I explained that I'm the MPP for the area and MPP for Six Nations at the time, but they were very clear that they wished to speak with the federal government on essentially a nation-to-nation basis. This was in the media.

So the next day, on behalf of people there, I wrote a letter to Jim Prentice, the then-federal minister. I did not hear back for a number of months. I found that frustrating, given what I felt was the need for some resolution or some initiatives. Certainly the people who were there, a very small number of people, also wanted things to move forward. They wanted their elected council to support them; the elected council was not supporting them.

Another concern they had—and I would walk quite regularly back in behind the barricades and got to know people a little better. I knew some of the people previously. They asked me at the time, would I approach the OPP and ask the OPP what were their intentions.

March 3, I contacted OPP Inspector Getty, then in charge of this initiative—he has since retired—and he indicated to me, “Our intention is a peaceful resolution,” so I reported that back. Again, with this communication, and obviously part of the estimates material here indicates that you, directly or indirectly, are involved with the various policing mechanisms—it varies from reserve to reserve. But has that always been your understanding of the OPP’s perspective on this?

Hon. Michael Bryant: When I say that the federal government is primarily responsible for the claim, it’s not to say that the local community, the municipality and the provincial government have not in fact had to incur significant expenses to deal with the effect of the failure to resolve the claim, so that means that the provincial government receives costs that it otherwise wouldn’t if the claim hadn’t been resolved.

The Ministry of Aboriginal Affairs itself and the people—a really great group of people who work in Caledonia with local residents, with Haudenosaunee Six Nations—along with the provincial negotiator themselves endeavour to find resolution to things that aren’t sometimes directly claim-related and sometimes are claim-related, where there is a need to provide communications. For example, you’ll have the municipal officials contact the ministry offices to try and get confirmation as to the latest—let’s say, “When is the next negotiating meeting going to take place?” And those people really on the front lines of providing services to Ontarians, all Ontarians—by which I mean Haudenosaunee Six Nations, obviously, and Caledonia townsfolk and others in the neighbouring counties—provide an array of services to in some ways troubleshoot, in some ways problem solve, and sometimes to assist in providing information. Probably the size of that group would not be what it is but for the dispute and but for the failure to resolve the claim, so there are costs involved in that from the Ministry of Aboriginal Affairs perspective. What I have been trying to convey to the federal government is that in many ways—well, in every way—the local communities are paying the price, literally and figuratively, for the failure to resolve the claims, and they are expenses that do flow from the failure to address—in particular, get to the claim along the Haldimand tract.

Mr. Toby Barrett: I do know, and as I say, at that time in March, I was operating on the understanding that this was strictly federal. Nobody asked any questions in the Ontario Legislature. And continuing to speak—I had a meeting with Estates.

1650

Again, trying to figure out how to communicate with the federal government, I volunteered to drive to Ottawa on their behalf, and a very large package of material was put together which I delivered to the office of the Governor General of Canada. I spoke to her aide-de-camp, a captain in the military, and I was privy to all the information. I sat there while some of the letters were being written and the one thing that the clan mothers thought was very important for me to communicate, not only to

the federal government but to everyone—and I don’t know whether they were communicating with the Ontario government or not, but the one letter stated in part that if the OPP were to come in, if the OPP were to try and remove the occupiers or protesters at the Douglas Creek Estates, they would consider that an act of war. I pulled that letter out of the package, I read that paragraph to this captain in the military, in the Governor General’s office, and asked him to ensure that that was communicated to all concerned.

Do we know, was the Ontario government made aware of that concern, that indication that if the OPP were to come in—this is before they came in—that’s an act of war?

Hon. Michael Bryant: Again, that’s not something within the estimates context that I’m able to proffer an answer to. But I’d be interested, since we’re walking through this timetable, whether the member could talk at all about his discussions, not just with the Governor General but with his federal counterpart, and whether or not she was able to be of assistance and engage on this issue at all.

Mr. Toby Barrett: Well, I can answer a question too, I guess. Yes, at that time I did speak with the local MP by telephone—actually, I think it was from the occupied site, come to think of it. I communicated directly with Minister Jim Prentice, I communicated directly with the Governor General’s office. I found that at that time it didn’t seem to be necessary or appropriate to go through the local MP’s office. Maybe I should have. On April 12, I did raise the issues in the Ontario Legislature with respect to what was going on here and in the Legislature, as I recall. Again, I more or less agreed with that, that this is a federal issue.

On April 19, I asked the Premier again for a bit of a status report and at that time the Premier indicated, “We’re determined to resolve this so that it results in no incident that would compromise public safety.” There was a bit of to and fro, back and forth, and the Premier indicated, “The Conservative Party has a different position. They would rush in, and then the leader of the Conservative Party would do something like that,” and again reiterated—this was about 3 o’clock in the afternoon, April 19—that they would sit down and work this out in a responsible fashion.

Lo and behold, at 5 a.m. the next morning, we had the well-known OPP raid and 14 hours later the officers came in. Again, the question is—and being an outsider and being in opposition—was there communication then with policing? I mean, that’s part of the responsibility of a cabinet minister with respect to these kinds of issues. Did you know that was going to happen?

Hon. Michael Bryant: We’re in April 2005 right now?

Mr. Toby Barrett: This would be April 20, 2006. This was the big police raid, if you will.

Hon. Michael Bryant: Right. I wasn’t the Minister of Aboriginal Affairs at the time and also I’m not able, from an estimates context, to provide that answer; just to say,

though, generally speaking, that the executive and the police are not engaged in a relationship where anything other than independence is the rule. That's the recommendation of the Ipperwash commission, and regardless, certainly the long-standing constitutional tradition is that police are independent from the executive council. So there would not be any interference by government with respect to the operations of the OPP. I think that's about the best I can do in the estimates context.

Mr. Toby Barrett: Okay. Thank you, Minister.

The Chair (Mr. Tim Hudak): We now proceed to the third party. Mr. Hampton, you have 20 minutes.

Mr. Howard Hampton: I have a lot of questions. I want to begin just by renewing the minister's acquaintance with Joshua Frogg, who is the chief of Wawakapewin First Nation. Chief Frogg met you in Timmins, November 14 and 15 of last year. I think you went to the NAN meetings there to introduce yourself to the NAN chiefs. At that time, he believes that you said you would facilitate meetings with the Ministry of Transportation and the Ministry of Northern Development and Mines to build an airstrip at Wawakapewin First Nation. Chief Frogg wants to remind you that he hasn't heard from the Minister of Transportation or the Minister of Northern Development and Mines since that time and he's hoping you will renew your efforts to put them in contact with the chief. He'll be happy to provide Sioux Lookout phone numbers so that those contacts can happen.

A couple of questions: Looking at the briefing book, on page 25 you detail transfer payment funds. I believe the transfer payment funds total is \$14,730,900, is that correct?

Hon. Michael Bryant: Hang on a second, I'm getting there.

Mr. Howard Hampton: That's for the current year for the ministry?

The Chair (Mr. Tim Hudak): Again, we're on page 25 of the estimates binder. There's a chart there that Mr. Hampton is referring to.

Mr. Howard Hampton: Transfer payment funds, and then it lists the participation fund, support for community negotiations fund etc.—grand total, \$14,730,900. Is that correct?

Hon. Michael Bryant: The \$14-million figure is—there we go, under the estimates.

Mr. Howard Hampton: Yeah.

Hon. Michael Bryant: Is that what yours says? That's what mine says.

Mr. Howard Hampton: Mine says \$14,730,900. There are no other transfer funds between the government of Ontario and First Nations budgeted for this year?

Hon. Michael Bryant: I think what I'll do to elaborate on that is ask if the deputy or other ministry officials want to speak to any other transfer funds that the member is asking about over and above what's in the estimates book.

The Chair (Mr. Tim Hudak): I'd ask staff to identify themselves for the sake of the record again in this afternoon session, please.

Ms. Lori Sterling: Deputy Minister Lori Sterling. Good day. What we reported in the estimates is our understanding of our transfer fund payments.

Mr. Howard Hampton: And no other transfer funds?

Ms. Lori Sterling: We're not aware of any other transfer funds.

Mr. Howard Hampton: Okay, that's fine.

The Chair (Mr. Tim Hudak): There is a capital fund as well later in the estimates.

Mr. Howard Hampton: I'll get to that.

Ms. Lori Sterling: The capital grants fund.

Mr. Howard Hampton: There's the aboriginal community capital grants fund.

Ms. Lori Sterling: Right.

Mr. Howard Hampton: That is \$4 million?

Ms. Lori Sterling: That's right.

Mr. Howard Hampton: So there are those two transfer funds? That's it?

Ms. Lori Sterling: That's all we're aware of.

Hon. Michael Bryant: Just to be clear—I know the member would like an unequivocal statement—it's obviously in the context of the estimates of the Ministry of Aboriginal Affairs. There is, as has been set out in the budget, in other ministries' expenditures, within the Ministry of Health, the Ministry of Education, the Ministry of Housing, the Ministry of Northern Development—and I could probably go through almost every other ministry in the government where there are expenditures—

Mr. Howard Hampton: I'm not asking you to detail those. I'm only asking you about your own ministry for now. I'll get to the other ones later. Okay?

1700

Ms. Lori Sterling: Can I just add one point of clarification on the transfer funds? Those two categories are the transfer funds that we know about and that we're planning for 2008-09. In the event of a land claim settlement, which we're not aware of at this point, but which may happen over the course of the 2008-09 year, if that did happen and payments were made, that might also be considered a transfer payment. So there are other potential categories. Finally, the relationship fund itself, which was recently announced, would be the only other transfer payment that we can comment on at this point.

Mr. Howard Hampton: Thanks for that. That helps to clarify things a bit.

In connection with this, I wonder if I could just ask this question: The total ministry budget, as set out in the estimates, is about \$56 million? That's operating, capital and transfers.

Ms. Lori Sterling: Yes, that's correct.

Mr. Howard Hampton: Okay, good.

Can I ask this? Mr. Cam Clark was the provincial negotiator, on behalf of the government, negotiating with Kitchenuhmaykoosib Inninuwug First Nation. Is that correct?

Ms. Lori Sterling: Yes, he was hired by the provincial government to work on that—

Mr. Howard Hampton: Can I ask, what was the total cost, all in, for Mr. Clark and his staff and associates in

terms of the negotiations with Kitchenuhmaykoosib Inninuwig? Could I ask for that figure?

Ms. Lori Sterling: Yes. I'll have to get back to you just to confirm it, but of course.

Mr. Howard Hampton: Okay, but there is a figure.

Ms. Lori Sterling: There is a figure.

Mr. Howard Hampton: And it's the all-in figure.

Hon. Michael Bryant: If that's what you're looking for.

Mr. Howard Hampton: Good. I understand Mr. Cam Clark was paid, on behalf of the provincial government, to negotiate with Ardoch Algonquin First Nation as well. Is that correct?

Ms. Lori Sterling: That's correct.

Mr. Howard Hampton: Could I get the all-in figure that was paid to Mr. Cam Clark and his associates in terms of the negotiations with Ardoch Algonquin First Nation?

Ms. Lori Sterling: My understanding is that we paid Cam Clark. I'm not aware of any supplemental payments, but I will confirm that.

Mr. Howard Hampton: Okay. I just want the all-in figure.

Could I ask, what is the total cost of negotiations with Kitchenuhmaykoosib Inninuwig since the start of the Platinex dispute? Do you have that figure or can you get that figure?

Hon. Michael Bryant: Obviously, if there's a figure that exists, we will get it for you—the all-in. I don't know the extent to which we can create something that doesn't exist, obviously, but we'll find that. I can really only, right now, at this time—although if there's more information, I'll provide it to Mr. Hampton. I can say that since the time in which I was sworn in—and the member's asking about negotiation efforts—the time spent by myself and my office's work, which involved a very significant investment of time and a certain amount of travel as well to KI by myself and others within the ministry, will not be reflected in that number that the member is looking for with respect to the negotiator himself.

Mr. Howard Hampton: We'll get to your expenses later.

Hon. Michael Bryant: I'm doing my best here, Chair, to answer the question. I want to say that the questions and the—

Mr. Howard Hampton: It's okay, Chair.

Interjection.

Mr. Howard Hampton: Yes, I think I've got a good enough answer.

Hon. Michael Bryant: The tenor of the question—Chair, could I just finish? I was trying to make a point here.

The Chair (Mr. Tim Hudak): I think Mr. Hampton is satisfied with your answer. I'll go to him for his next question.

Mr. Howard Hampton: I'd like to ask the total cost of negotiations with Ardoch Algonquin First Nation since the commencement of that dispute over uranium mining in that First Nation's traditional territory as well. If you

want to account for the minister's travel or ministry staff travel separately, that's fine. But I'm more interested in the cost to the ministry.

Hon. Michael Bryant: Got you.

Ms. Lori Sterling: I can tell you right now that not all the costs that were incurred were borne by the Ministry of Aboriginal Affairs itself. So all we can do at this point is provide you with our own costs. But there very well may be other ministries that put in a significant amount of money.

Mr. Howard Hampton: If you could indicate what other estimates I should go to and ask questions, I'd be pleased. You don't have to tell me the amounts; just tell me where I should go.

Ms. Lori Sterling: Okay, I'll do that

Mr. Howard Hampton: Thanks. On March 6, the minister flew from Toronto to Thunder Bay. I believe you met briefly with NAN chiefs, held a press conference and released a memorandum of understanding, which was reported in the Canadian Press on March 6 as a template for resolving conflicts between First Nations and mineral exploration companies. Could I ask that that memorandum of understanding be tabled for the committee?

Hon. Michael Bryant: Firstly, I should say I recall that after looking at it for about five minutes, Chief Morris and council said this isn't what they're looking for. I'm not sure within the context of estimates—it's absolutely a fair question in the context of question period. I'll certainly look to the Chair as to whether or not we go into disclosure, if you like, of information that falls outside of the estimates process. I'm not sure from an estimates committee perspective what the member is looking for.

The Chair (Mr. Tim Hudak): We'll table that. I'll review it and then make a ruling.

Mr. Howard Hampton: I understand that there were several versions and drafts of that memorandum of understanding. Is that correct?

Hon. Michael Bryant: I think I'm going to have to ask the Chair to make a ruling on that one too. I'll just say, not surprisingly, that there is, from conception to proposal, a significant amount of work that goes into any document. The basic approach was to try and find—because this was in the days coming up close to the hearing and I couldn't tell if we were close or not close. At times when I was speaking with Councillor Sam McKay, the relationship was very affable. We wanted to try and find a resolution that was satisfactory to him and his community; the same with Chief Morris. This was an attempt really to honour the effort that the chief and council were making.

Mr. Howard Hampton: I'm satisfied.

The Chair (Mr. Tim Hudak): Okay, move on.

Mr. Howard Hampton: I wonder if I could just ask this question: Were versions of the memorandum of understanding exchanged with a representative or representatives of KI First Nation?

Hon. Michael Bryant: You'd have to ask the chief and council, whom I just spoke to a little while ago.

Mr. Howard Hampton: Okay, I can do that.

I think what the figures are going to show is that a fair amount of money has been expended by the ministry with respect to Kitchenuhmaykoosib Inninuwug First Nation and the Platinex dispute. One of the realities is that the Minister of Mines, under section 35 of the Mining Act, could write a letter to the mining claims recorder withdrawing the areas of land that are subject to the dispute from mining claims and mining exploration. There is provision for that under section 35 of the Mining Act.

Could I ask this: Have you asked the Minister of Mines to do that? If we're talking here about expenditures of money of the ministry, it seems to me that one way of addressing some of the issues would be for you to write to the Minister of Mines and say, "Use section 35 to take these areas of land which are under dispute out of mining exploration and mining claims." Have you done that?

Hon. Michael Bryant: No, I have not written a letter to the Minister of Mines. The member asked this question in question period and the Minister of Mines spoke to it. I know the member knows very well that the government is indivisible. You can't have a situation where one ministry takes one position and a different ministry takes another. The government is the government.

1710

One of the legislative options has been outlined by the member, and I spoke quite directly to this with Chief Morris today. They've always been very, very clear to me and to their community, given the history and the relations with Platinex, which were significantly poisoned. They've said many times that the idea of doing business with Platinex was just not something they could countenance. So then the question—

Mr. Howard Hampton: I'm satisfied with the answer. Could I ask this question, though: Would the minister support removing these mining claims that are under dispute via section 35 of the Mining Act?

Hon. Michael Bryant: Again, this isn't an issue of one member of the executive proffering an opinion other than the one expressed by the government. The member knows from the convention of cabinet solidarity that the decision of the government is the decision of the government, and any discussions that might entail—

Mr. Howard Hampton: That's fine. I think I understand now—

Hon. Michael Bryant: Mr. Chair, could I at least finish my sentences?

The Chair (Mr. Tim Hudak): Yes. I try to find a balance. If the question is a short question, I expect a short answer. If it's an open-ended question, I give the minister more time to respond. I do think that you've had a chance to answer this question.

Hon. Michael Bryant: Fair enough, Chair. I'm in the early hours of estimates. I'm figuring out how you run it and I appreciate what you just said.

Mr. Howard Hampton: One of the messages that First Nations received immediately following the budget, especially First Nations in the far north, was that \$30 million over four years was being allocated to support consultations via the northern table on substantial land use planning and resource management in the far north. Obviously that was not \$30 million under the Ministry of Aboriginal Affairs. Can you tell me where that \$30 million is actually accounted for? Does it come from another ministry?

Hon. Michael Bryant: Firstly, we're not talking about monies that—because, as the member knows, KI is not a member of NAN. This isn't something they would be accessing. But what they would be, as I discussed with Chief Morris today, is that obviously consultation with KI, and other independent First Nations, for that matter, has got to take place and this has to be also—

Mr. Howard Hampton: I'm not concerned with KI right now.

Hon. Michael Bryant: —I'm just going to answer your question—in addition to the northern table investments, and that the government is committed to providing that consultation money to KI.

Mr. Howard Hampton: Since I think what I heard you say earlier is that the \$30 million is not accounted for in the Ministry of Aboriginal Affairs' estimates, can you tell me which estimates I should go to to find that \$30 million?

Hon. Michael Bryant: Yes. To what extent it's the Ministry of Northern Development and Mines, to what extent it's the Ministry of Natural Resources, the Ministry of Aboriginal Affairs, the Ministry of the Environment and so on, we'll make inquiries.

Mr. Howard Hampton: So I'll get a response from you as to which ministry's estimates I should go to to track down that \$30 million?

Hon. Michael Bryant: Well, I'll make best efforts. We can work within our own ministry, and I do want to assist the member, but I know that when I make an undertaking to provide information, if we're not able to provide it, then that can extend estimates. If it's not within the Ministry of Aboriginal Affairs, I can't make that undertaking, but I'll certainly make the inquiry, because the member wants to know where to go to find out where those investments are made and I want to assist.

The Chair (Mr. Tim Hudak): I appreciate the minister's best efforts.

Mr. Howard Hampton: What I'd really like to know is, First Nations have been told that this is money available for consultations, particularly for the northern table. I think many of the people who are here today would be interested in knowing where that \$30 million is, what it's going to be used for and when it is going to become available.

Hon. Michael Bryant: Sure. I think this is important for the public to understand. There's a real recognition that the northern table dollars—the extent to which the government of Ontario is respecting the leadership of

NAN, and Grand Chief Beardy in particular—that's also a question that I know Grand Chief Beardy himself would also be able to answer. I certainly don't speak for him, but I'm actually speaking with him later on today about the issue of the northern table budget and our desire, obviously, to address the need to provide that funding for consultation.

The Chair (Mr. Tim Hudak): You probably have one minute left, Mr. Hampton, for your last question.

Mr. Howard Hampton: On May 15 you announced the new relationship fund and committed \$25 million over two years. In the press release it says, "Ontario is helping aboriginal communities to develop the resources, capacity and skills" etc. to work "seamlessly with governments." As I understand it, this money is to be divided not just amongst First Nations but also includes Metis and non-status communities.

Hon. Michael Bryant: This was something that we obviously discussed with the confederacy, and with Regional Chief Toulouse in particular. Certainly he acknowledged, and stood there with Gary Lipinsky to acknowledge, the fact that this was going to be capacity building both for First Nations and—

Mr. Howard Hampton: Could I ask what the division line will be between First Nations and Metis and non-status?

The Chair (Mr. Tim Hudak): That will be the last question in this round.

Hon. Michael Bryant: That's something that has to be discussed and collaborated upon between Metis leadership, First Nations and the government.

The Chair (Mr. Tim Hudak): Thank you very much. That concludes the 20-minute session. Now we'll go to the government members. Mr. Delaney.

Mr. Bob Delaney: Thank you very much. Well, Minister, I guess I'll give you a little bit of time to collect your thoughts and finish your sentences.

In the most recent budget, the budget to the Ministry of Aboriginal Affairs has been increased to nearly double what it previously had been allocated. I wonder if you could expand a little bit and enlighten us on some of the thinking behind it and some of the ways in which that will affect the work the ministry does.

Hon. Michael Bryant: The increase in the budget reflects the increased mandate as well as an acknowledgement, a recognition, of an attempt to consolidate the government's approach to aboriginal affairs. I think inadvertently in the past, because you had 20-plus ministries where a small or sometimes significant amount of work they were doing involved aboriginal peoples, you didn't necessarily have a single government strategy with the priorities and the focus and the policy development and the assessment and the creation of metrics and the creation of an information bank, and then the meeting of those goals. In fact, a significant amount of work, most of the work the aboriginal affairs secretariat did in the past, was negotiation work. There was economic development work in the past. There was some policy development, but most of the policy development was done through

other ministries, and the aboriginal affairs secretariat previously was there to assist the other ministries. But if I can put it in sort of executive terms, the lead was with the various ministries.

In the context of the way government works, it meant that despite best efforts by ministries, no matter what the portfolio, it wasn't necessarily the number one priority of that particular ministry, and the ability for an aboriginal priority to fall back was there. Moreover, in terms of driving forth significant reforms on aboriginal affairs—the ability to, for example, increase skills, individual capacity and community capacity to engage with government and the private sector on a level playing field—the secretariat was not always in a position to do that.

The increase of the budget therefore is not just a reflection of the increased priority, but it also means that, functionally speaking, the Ministry of Aboriginal Affairs plays a role as bringing together the different strands of aboriginal policy in the many other ministries that exist having aboriginal affairs, to, firstly, ensure that the priority is accorded to aboriginal affairs and, secondly, to coordinate efforts; and, lastly, to drive it through government in terms of changes. The leader of the third party knows, and members of the official opposition know, through their experience in government, that there is a process before something either gets to the cabinet table or gets to Treasury Board or gets announced, and the government has to make choices around priorities, sometimes intentional and sometimes inadvertent. This ensures a priority for aboriginal affairs, not just in word but in budget as well.

1720

Mr. Bob Delaney: To move to something that's closely allied, resource benefit sharing, what's been the type of thinking that has gone into the government's actions with regard to resource benefit sharing in terms of, say, sharing revenue with First Nations?

Hon. Michael Bryant: The commitment that the government has made obviously involves the necessity of consultation with First Nations. Grand Chief Beardy, soon after I received the appointment, made it very clear to me that this was a very big priority for him and for NAN, and was making, I think, pretty strenuous demands for an accelerated timetable. There has recently—and part of this came out of the Ipperwash implementation committee and part of this comes out of the ongoing and many meetings that I have with Grand Chief Beardy, and obviously the resolutions of the northern table. Because the province of Ontario would be embarking upon the sharing of mineral rights or of taxes or royalties at a certain rate, my question was, "How do you imagine it looking?" as opposed to, "Here's what the government says it ought to be." I know that the northern table, and Grand Chief Beardy in particular, have pushed and will continue to push for an acceleration for the result. There is also work being done at the northern table in order to paint that picture of what resource revenue sharing will look like.

As I said before, it's not just about, although this is important, the sharing of net revenue in some fashion. It's also about creating an economic incentive for economic and resource-based development, particularly in the northern communities.

Mr. Bob Delaney: During the time I lived out west, this was one of the issues that I recall dealing with out there, the resource benefit sharing and the type of opportunities that creates, either for First Nations or for some of the local communities. I think it gives rise to a question of what types of opportunities resource benefit sharing would create for First Nations, local businesses, businesses that might be owned by First Nations, and, for that matter, other sectors in that particular region.

Hon. Michael Bryant: Well, in addition to whatever the benefit sharing formula ends up being, the idea might be this—and there's understandable frustration, particularly in the north in some cases, when that helicopter flies over, and if it's flying at a certain height, there's an understanding that the latest technology is snooping around to see whether or not there are any resource extraction opportunities. Changes to the Mining Act are required in order to provide the assurances that are necessary around consultation and collaboration, but also a knowledge that no matter where that exploration takes place, whether it's in traditional lands or not, instead of it meaning a potentially lucrative mining project, either near or in any event within the broader community of a First Nation happening, in a remote region that has not seen industry happening before, instead of it being, "Oh, dear. What's going to happen? Is there going to be the creation of wealth that is going to happen, in essence, right under our noses, right next door to us, and we're going to have nothing to do with that? How can that be right?"—particularly when we're talking about communities that know the land better than anybody ever could. The idea of resource benefit sharing is that it would mean that, no matter what, yes, there has to be and will be—and there has been. We talked about Attawapiskat and De Beers and the Victor diamond mine. In addition to jobs training, in addition to jobs and in addition to potential equity shares, it means that no matter what, there's also a sharing of resource benefits. So it means that all First Nations are sharing in the prosperity, as opposed to the crown. Now, the crown gets those dollars and then spends those dollars through the budget, and that's part of the estimates process. But this means a direct sharing of those dollars, and in that sense, I guess conceptually, it's not so different from the sharing of gaming revenues, in the sense that it is revenue being shared. Obviously, this is something that is going to require a lot of discussion and negotiation and, ideally, a multilateral decision.

Mr. Bob Delaney: Thank you.

The Chair (Mr. Tim Hudak): Mr. Leal, about 10 minutes or so.

Mr. Jeff Leal: Just for the record, I want to say that I have two First Nations communities in the riding of Peterborough: one at Curve Lake, under the leadership of

Chief Keith Knott; and Hiawatha, under the leadership of Chief Laurie Carr.

Minister, on February 18, Family Day, my family spent the day at Six Nations in Caledonia on a visit. In Caledonia, when I had the chance I toured the Douglas Creek Estates and chatted with some people. Could you indicate to us today what economic assistance we've provided to the people of Caledonia over the last period of time? It's something that's of great interest to them. They've had some challenges, no doubt. But what role have we been able to play in terms of providing some concrete assistance for a community that needs some help?

Hon. Michael Bryant: There have been economic development monies that have been specifically allocated to that, and I made previous reference to that in my remarks as to the number. As well, in talking with Mayor Trainer and council, there's a real desire to work with the province, not just on the economic development promotion side but also with respect to infrastructure needs. There is under way right now a process to assess what those needs are. It's something that obviously is of benefit to not just the municipality and to the residents of Caledonia, to the residents of the county, but also the Haudenosaunee Six Nations. For example, the issue of water infrastructure is one that's a real priority for the tribal council and band council for Haudenosaunee Six Nations. The community has grown significantly, it's a large community, and they've basically got an inadequate water system. I've had discussions with the federal minister about the provision of that. It has an impact, again, not just on the First Nation but also with respect to the town of Caledonia itself. So it's not just the economic development money.

The 2006 dollars: \$1.3 million for 150 businesses that were impacted by the activity on the highways and roads. There were monies invested in a summer 2006 promotional campaign—again, hardly a panacea, but an effort to try and jump-start activity within the community. Investments were made for a media campaign to try, again, to promote tourism and use of the local businesses, and then \$90,000 in addition to that was invested in an industrial development marketing strategy.

1730

This quarter, Haldimand county has received over \$3.5 million for municipal roads and bridges and close to \$400,000 for affordable housing in Haldimand-Norfolk. In my discussion with the local businesses, these are all important and necessary investments, and it's an effort to assist, but ultimately, until such time as we can either get progress or until we get resolution of Haldimand tract claims—which Mr. Barrett has made reference to and is something that the federal government is charged with—there will continue to be challenges. Unless Haudenosaunee Six Nations and the community—over and above the land claims process, there are partnerships that will allow for business development opportunities that will see an increase in activity.

I will say, though, as I was driving through Haudenosaunee Six Nations yesterday, in passing the fields, the businesses, the driving range, the soccer fields, the baseball fields, the community centres, they have much to offer in the county and in Haudenosaunee Six Nations. As I said before—I don't want to repeat it at length—it is really unfortunate and a source of great frustration for the community that there's this sense that the activities that took place a couple of years ago, the confrontation, the very heightened tension within the community—I mean, yes, there is tension, and obviously, as I said before, there's a dark cloud, but that field that you referred to is vacant. There's occasionally one or two people on it. There's much to do and much to offer in Caledonia, in the county and Haudenosaunee Six Nations, and I certainly would encourage Ontarians, in addition to spending time in the member's riding, to also make sure that they spend some time and enjoy Haldimand county, enjoy Haudenosaunee Six Nations and enjoy the Grand River.

Mr. Jeff Leal: I think we all recognize that Justice Linden's recommendations in his extensive review of the circumstances related to the death of Dudley George at Ipperwash in 1995 have certainly had a profound impact on Ontario and Canada and the whole relationship between our First Nations people.

In terms of estimates and the implementation of the multitude of recommendations that were made by Justice Linden—probably one of the most comprehensive royal commissions ever in the history of Ontario, indeed, if not Canada—maybe you could go through for us, in terms of the estimates process, those recommendations and how that will be rolled out over the next number of months and years.

Hon. Michael Bryant: I'm very anxious to, as quickly as possible, implement the recommendations, mindful of the fact that unilateral implementation of the Ipperwash report is a non-starter. That's why we set up the implementation committee, and from an estimates perspective, had to provide funds to pay for the operations of that committee.

The new relationship fund, a new \$25-million relationship fund for the first two years, would be an example of that. The dollars spent with respect to the transfer of Ipperwash Provincial Park would be an example of that. Certainly the land claims reform is one of the most important recommendations in the Ipperwash commission, and how that's going to involve and relate to the federal government's recent tribunal, which is not really of use in Ontario, in the sense that most of the claims were over \$150 million, which is the cap set by the federal tribunal. Almost all the claims involve both money and land, and the tribunal can't deal with land claims. In order to go before the tribunal, I think I'm right to say, you have to cede or give up on the land claim part of it and only make the claim as against the federal government involving cash.

Firstly, I don't think that, practically speaking, is going to happen in Ontario. While I'm not saying it's not

positive—a tribunal to go to to provide for a very small number of claims that would involve cash, maybe a right of way or something over a track or a road; that is good, but that's not what we need in order to expedite the resolution of these claims, which, again, is, more often than not, at the heart of many of the effects and the tensions and the confrontations that take place in this province and, for that matter, across the country.

The Chair (Mr. Tim Hudak): That's going to conclude our time. Mr. Leal and Minister, thank you very much.

We have time for one more 20-minute session of the official opposition, and then we'll conclude at that point for today's session. We reconvene tomorrow at 4 p.m.

Twenty minutes: Mr. Barrett.

Mr. Toby Barrett: Minister, I'll follow up on some of the topic areas introduced by the parliamentary assistant: the relationship with Justice Linden's report. Again, if we can continue on with the discussion around the Caledonia Six Nations area.

Certainly, Justice Linden in his report does address the whole issue of ministerial responsibility and the relationship between a cabinet minister and our OPP. I'll fast-forward: I appreciate your comments on what went on two years ago when the OPP first came into the Douglas Creek Estates subdivision.

Just to fast-forward to the weekend when we had both the Deseronto kerfuffle, if you will, and the blocking of provincial Highway 6 at Caledonia, what is called the Caledonia bypass adjacent to Six Nations territory: As far as a relationship with this ministry and the elected council, what discussions would there have been over that weekend with Chief Montour?

Hon. Michael Bryant: No provincial dollars get spent and no activity takes place as between executive council members and the OPP from the estimates perspective. I understand the premise of the member's question and think it has been addressed already in the Legislature that no interference ought to take place, and no interference has taken place.

Mr. Toby Barrett: Yes, and certainly that word "interference" was mentioned several times in the letter that we know of from Chief Montour. I think it was addressed to you, as I recall.

As far as the funding in this 2008-09 year or past year, what contribution does your ministry make to the Six Nations police?

Hon. Michael Bryant: To the Six Nations police?

Mr. Toby Barrett: Yes.

Hon. Michael Bryant: It's not something within the Ministry of Aboriginal Affairs budget. I'm not going to undertake to provide the information because it's not within my purview, but I will make inquiries, I say to the member. I believe that information has actually already been put out there, but I will make inquiries.

Mr. Toby Barrett: It perhaps is more ad hoc. I know I have attended to Six Nations police a number of times with a cheque for ad hoc funding for training, as I recall,

or perhaps for specialized equipment. Is that the limit of it?

1740

Hon. Michael Bryant: Again, that's not something that would be within the Ministry of Aboriginal Affairs' budget but certainly something within the federal estimates process, and I guess provincial estimates involving the Ministry of Community Safety that might be put. Again, in the spirit of co-operation, I'll certainly make inquiries.

Mr. Toby Barrett: That's fine. I'll keep that in mind as well, or perhaps I could put some of these questions forward in writing, to do it through the committee or—what is the process?

The Chair (Mr. Tim Hudak): Again, this is the estimates of aboriginal affairs. We appreciate that the minister will make his best efforts to get information related to aboriginal affairs that aren't funded through his ministry. I would ask, if you have questions, to actually present them at committee—I know the minister can't always answer them immediately—and then we can endeavour to have them responded to. I don't take written questions, but if you want to put some oral questions on the record in the interests of time, that's fine.

Mr. Toby Barrett: Sure. Well, I know the parliamentary assistant may have the information with respect to money allocated to Six Nations and to the Caledonia community. You gave us a breakdown on that. Those were not directly under your ministry's budget; that was someone else's budget?

Hon. Michael Bryant: Well, I'm hoping that the parliamentary assistant's numbers are the same as the numbers that I have. He's nodding his head, so yes is the answer. We have the same numbers. Again, it's up to the official opposition and the third party to decide who comes forward in estimates and how much time is spent in which ministries. Priorities are made, and sometimes a ministry is further down the list and estimates isn't able to address the questions. But at this time, estimates is hearing from the Ministry of Aboriginal Affairs, and within our budget I couldn't proffer a number, because we wouldn't provide funding through the Ministry of Aboriginal Affairs to policing.

Mr. Toby Barrett: The question has been raised over the last several years of the cost of policing. What is the latest on that? What has policing cost in the Caledonia-Haldimand area, and is some of that cost being borne by the federal government? I don't need the exact number; I just want to know what—

Hon. Michael Bryant: Sure. Within native policing, there is a tripartite agreement entered into by the provincial government, the federal government and the First Nation as to what the number is and what the sharing formula will be. It's not something within our budget, but it is something that involves those levels of government. The increases, as the member is aware, to the budget for the OPP—again, not within my ministry—are a consequence of the conflict arising from the failure to resolve the claim, and that I lay primarily at the feet of the

federal government. So the federal government involvement is there in that sense.

Mr. Toby Barrett: Is there an ask out there for additional money from the federal government? I mean, a precedent was set. That was a year and a half ago or so, where some money came forward. Is that precedent of any value, and is there additional—

Hon. Michael Bryant: The province, whether it be the Ministry of Aboriginal Affairs or any other ministry, has a view on fiscal federalism that isn't always shared by the federal government. That's not only the discussion of direct payments but also general transfer payments, which is something that the Premier and Minister of Intergovernmental Affairs has spoken to before. I'm sure the member has, and I would certainly encourage the member to make that pitch as well to his federal counterpart, the Honourable Diane Finley, in terms of making sure the federal government is in fact recognizing that the failure to resolve the land claim does have costs on the province and the municipality, and the federal government, I think, ought to bear the fiscal responsibility as well.

Mr. Toby Barrett: Just maybe to fast forward two years, I did ask the questions at the commencement of this occupation as to who was in charge. My understanding was the federal government. With respect to the occupation, who is in charge now as far as federal-provincial?

Hon. Michael Bryant: In charge of?

Mr. Toby Barrett: This whole issue around the occupation of Douglas Creek Estates.

Hon. Michael Bryant: Well, "occupation" of Douglas Creek Estates—as I said before, and the member knows this, if you drove by that land adjacent to the highway, there's nobody there. I know the member wouldn't want to suggest that there's in fact a significant presence there. There isn't. Actually, it's looking pretty grim. I don't know—

Mr. Toby Barrett: Essentially desolate right now.

Hon. Michael Bryant: Yeah, it's desolate right now. It's overgrown and pretty ugly. The OPP has a job to do with respect to policing. They do that job, and I'm very supportive of the job they do. The Ministry of Aboriginal Affairs, as I referenced before, has an office that tries to troubleshoot and provide assistance. As well, negotiations take place. The province endeavours to assist the federal government in trying to resolve this, but I don't believe the urgency is upon the federal government in a way that I know the member's community is feeling, the provincial government and the municipality are feeling, and our budgets are feeling as well.

Mr. Toby Barrett: Is there any way that we can continue to move forward with respect to that site? A number of barricades are still up. There's a large hydro tower at the entrance. To the north there are still the barricades of railway ties. Farther to the northwest there are a number of very large concrete blocks. I don't know who put them there. They are probably there for a good reason, to block off that end of the road. Is there any way

we can move forward, to continue to make this area look less desolate and less forbidding?

Hon. Michael Bryant: Again, I doubt this falls—well, is there anything in the budget with respect to the ministry regarding capital allocation or other costs? It tends to be considered to be part of the claim, depending on which side of the negotiating table people are on.

Let me say this, Chair: I think that creative ideas and suggestions about the best way to improve the situation, improve the use of that land, improve not only how it looks but how it's used—if there's a way in which the community and Haudenosaunee Six Nations can address that even as an interim measure, who could say that's anything but positive? It just obviously has to be one where it lessens the tensions and increases the relationship and has to be one that's multilateral. But I'm certainly very interested in any ideas the member has with respect to making improvements from the member's perspective. I'd be more than happy to raise those with chief and council and with the federal government.

Mr. Toby Barrett: And you would raise those issues primarily or strictly with the elected chief and council?

Hon. Michael Bryant: No. To be fair, I'm trying to be pragmatic here and find solutions. If anybody has good ideas, I would encourage them to get them out there, whether they do it through a member of provincial Parliament, municipal council or the federal government, or throw it up there on the Web. Leaving aside the fact that we're politicians and have a job to do in government and opposition, I would have thought any Ontarian would want good ideas to come forward that the communities could pursue, and if the federal government can support those, fine. But again, I don't think it should be lost upon anybody that it's the federal government that really has to address the claim, and the Haldimand tract in particular.

Mr. Toby Barrett: I understand the federal government's position on that particular piece of land adjacent to Highway 6—I mean, it's a dispute. It's an occupation, but as I understand it, they've indicated there is no valid claim. Now you refer to it as a claim. Is it the province's position that there is an actual valid land claim on Douglas Creek Estates?

1750

Hon. Michael Bryant: Again, within estimates, other than covering the costs that the ministry pays with respect to negotiations in the Ministry of Aboriginal Affairs, there's nothing more I could add.

Mr. Toby Barrett: It's not really your call to decide whether that's a valid claim or not.

Hon. Michael Bryant: Those are important issues that take place at the negotiating table, and agreement over how you would even refer to that land is certainly not there right now.

Mr. Toby Barrett: I certainly know that. Yes, it's true.

Hon. Michael Bryant: So nothing in my remarks was intended to suggest that there's been any change to the position that the federal and provincial governments have been taking at the negotiating table. I'm just again trying

to be helpful, but I'm not sure that in the context of the estimates committee I can provide much more information.

Mr. Toby Barrett: No. It does come to mind that right at the entrance adjacent to Highway 6, which as you would know is a main tourism route down to towns like Port Dover and Turkey Point for people coming from the Hamilton area, there's a tractor-trailer that was torched. There are tire rims in there. I assume there were tires in there for whatever reason; I can only speculate. But I think it would be good for all concerned—this is very bad public relations for Six Nations, in my view. This does not represent Six Nations. I first visited Six Nations with my grandmother when I was seven years old. This is not the image we wish to present to that very proud community. I do know that on probably the Monday or Tuesday, April 29, the province did provide money or the resources and tow trucks to drag the barricades off the Highway 6 bypass, just a few weeks ago. The province of Ontario purchased Douglas Creek Estates. I guess you would have clear deed to that land; I suppose it's classified as Ontario Realty Corp. land now. Is there any way that we could budget—I mean, it would take a couple of trucks maybe half a day to remove that stuff.

Hon. Michael Bryant: Is there anything in the budget right now to cover that? Often—

Mr. Toby Barrett: We're talking a matter of maybe a thousand dollars; I don't see that as a budget item. But maybe it's paid for by some other ministry. Government services has the responsibility for the Ontario Realty Corp.

Hon. Michael Bryant: The member has made a suggestion. Obviously, anything that takes place in that area can become very sensitive and can heighten tensions.

Mr. Toby Barrett: No question. Yes, I fully agree.

Hon. Michael Bryant: The member is making a suggestion as to how to improve the situation. Obviously it's something the community will no doubt consider and Haudenosaunee Six Nations will consider. I meet with tribal council, and council members as well, on a regular basis and I know that any suggestions people have, if they're of interest to all parties, will be considered. Whether or not it's something that goes to the negotiating table or to tribal council or just citizens talking to their neighbours—I mean, there are always possibilities. There is nothing within estimates I could point to that I think would address your question, but I appreciate where you're coming from.

Mr. Toby Barrett: If not your ministry, I can't see the OPP going forward and suggesting that they would do that. I would assume it would be your ministry that would take that initiative.

Hon. Michael Bryant: Yes. Your point—

Mr. Toby Barrett: Maybe this is just window dressing anyway. It's not getting to the root cause of the problem.

Just south of Douglas Creek Estates we have what's called Sixth Line; there are other roads—Oneida—that are Haldimand county roads that are now being policed

by the Six Nations Police. Whom is that an agreement between to establish that?

Hon. Michael Bryant: That's not an agreement that would have involved the Ministry of Aboriginal Affairs, I believe, but rather would have involved, presumably, federal, provincial and First Nations police. But, again, I'm certainly happy to make an inquiry if I can gain more information within the Ministry of Aboriginal Affairs. I don't know if I can, but if I can, I'll provide it.

The Chair (Mr. Tim Hudak): Mr. Barrett, about one minute left.

Mr. Toby Barrett: We know the Six Nations police do provide policing on those roads. Are they compensated for that? Is some assistance transferred over to Six Nations? That is spreading that small police force a little thin, to police those roads, which are pretty hot. If an OPP cruiser goes down there, the officers get yanked out. They get their car back maybe at the end of the day. But that's putting an awful lot of pressure on the Six Nations police, and are they getting some monetary assistance? And I don't know whether it would be through this budget, or is it just rolled in? Is there a transfer of money

from the Ontario Provincial Police to the Six Nations police?

The Chair (Mr. Tim Hudak): I believe the minister has an answer to that question, and that will be the last question.

Hon. Michael Bryant: Sure. Again, it would be subject to the tripartite agreement, not involving expenditures of the Ministry of Aboriginal Affairs but presumably the Ministry of Community Safety, the federal Solicitor General and native police.

Mr. Toby Barrett: Thank you.

The Chair (Mr. Tim Hudak): Thank you, Minister and Mr. Barrett.

That does conclude our 20-minute session, folks. We are now going to end our regular meeting of Tuesday, May 27. We will reconvene tomorrow, Wednesday, at 4 p.m. until 6 p.m., beginning with 20 minutes for the third party.

Minister, Deputy, CAO, thank you very much. Members of the committee, we look forward to seeing everybody tomorrow at 4 p.m.

The committee adjourned at 1756.

CONTENTS

Tuesday 27 May 2008

Ministry of Aboriginal Affairs	E-77
Mr. Michael Bryant, minister	
Mr. David Lynch, chief administrative officer	
Ms. Lori Sterling, deputy minister	

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Mr. Howard Hampton (Kenora–Rainy River ND)

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E-7

E-7

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(Hansard)**

Wednesday 28 May 2008

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Mercredi 28 mai 2008

**Standing Committee on
Estimates**

Ministry of Aboriginal Affairs

**Comité permanent des
budgets des dépenses**

Ministère des Affaires autochtones

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 28 May 2008

Mercredi 28 mai 2008

The committee met at 1608 in room 151.

MINISTRY OF ABORIGINAL AFFAIRS

The Chair (Mr. Tim Hudak): Good afternoon. I'm now calling the Standing Committee on Estimates on the Ministry of Aboriginal Affairs back into session. Folks, we have four hours and 39 minutes remaining in our time, which will get us through today and into the following Tuesday as well. At the pace we're going there will be a morning and an afternoon session, although not in total.

When we were last adjourned, the official opposition had just finished their 20-minute rotation. It is now the turn of the third party. Again, a reminder to the members that it's 20 minutes per cycle—third party, government, official opposition. Again, we're joined by Deputy Minister Sterling, CAO Lynch, and Minister Bryant.

Mr. Hampton, the floor is yours for 20 minutes.

Mr. Howard Hampton: I think when I last had a chance to ask a question, I asked about the \$25-million new relationship fund. That's over two years. Is that essentially \$12.5 million each year, or is it front-end loaded, back-end loaded?

Ms. Lori Sterling: That's the total amount of money we have over the two years. Our intention is to go out and consult with First Nations and the Metis, and work with them on an appropriate distribution. We don't have a determined amount at this point in time.

Mr. Howard Hampton: So you don't know if it's \$12.5 million this year, \$12.5 million next year?

Ms. Lori Sterling: No, it's something we're consulting on—what would be the appropriate distribution.

Mr. Howard Hampton: And you don't know yet whether it will be divided 50-50 between Metis and status First Nations?

Ms. Lori Sterling: No, that's one of the specific things we're going to consult on.

Mr. Howard Hampton: Okay. So I understand it, this new relationship fund is modelled after the new relationship fund in British Columbia; is that correct?

Hon. Michael Bryant: Yes and no. The focus is to level the playing field, provide first an emphasis on community capacity building and some individual capacity building. Then, over time, as in-house capacity would be built up for First Nations and Metis, there'd be a greater emphasis on the individual.

Mr. Howard Hampton: What budget line does this \$25 million over two years come from?

Ms. Lori Sterling: The relationship fund was not actually in the budget line in the estimates. It was a subsequent decision of the government.

Mr. Howard Hampton: So it's not in the estimates?

Ms. Lori Sterling: No, it's not.

Mr. Howard Hampton: Why wouldn't we see it in estimates now? It was made subsequent, but I assume that when announcements are made subsequent to budget decisions, they must be built in somewhere. Why wouldn't we see it in the estimates now?

Hon. Michael Bryant: We're happy to provide any information you want on it. I'm not saying I can't help you with it because it's not in estimates, I'm just saying it's not in that.

Mr. Howard Hampton: So this will be part of the Ministry of Aboriginal Affairs' operating budget for this year? This is an addition to the Ministry of Aboriginal Affairs' operating budget for this year and next year?

Ms. Lori Sterling: Yes.

Mr. Howard Hampton: This fiscal year and next fiscal year. Okay.

I'm told that part of the government's response to the Linden Ipperwash Inquiry Report was the creation of the Ipperwash Inquiry Priorities and Action Committee; is that right?

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: Was this announcement and this fund part of the work of the Ipperwash Inquiry Priorities and Action Committee?

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: So they were completely aware and had been consulted on this issue before the announcement on May 15?

Hon. Michael Bryant: Yes. Certainly Grand Chief Toulouse and President Lipinski, who were present at the announcement—they wouldn't have been there if they hadn't been consulted. Let's put it that way.

Mr. Howard Hampton: My question is very specific.

Hon. Michael Bryant: And I gave the answer.

Mr. Howard Hampton: Who sits on the action committee?

Hon. Michael Bryant: We'll get you the exact list. Confederacy?

Ms. Lori Sterling: Yes; the PTOs. There are two committees. There's a Metis committee, and the Metis

choose who they want on that committee. At the last committee hearing, we had the president and several of his staff. The second one is a First Nations committee. In attendance were the PTOs and the regional chief.

Hon. Michael Bryant: I should also say the creation of the committee was asked for by Grand Chief Beaucage and Grand Chief Toulouse. The composition of the committee was also at their request. In addition, there are elders present as well—in addition to the PTO members.

Mr. Howard Hampton: Let's be clear here. I'm not asking about the announcement, I'm asking about the Ipperwash Inquiry Priorities and Action Committee.

Hon. Michael Bryant: Yes, that's what I'm talking about.

Mr. Howard Hampton: You're telling me there are two committees.

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: One is a Metis committee, one is a status First Nation committee.

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: So who is on the Ipperwash Inquiry Priorities and Action First Nation Committee?

Hon. Michael Bryant: Sure. We'll get you the list of names, but it's the confederacy.

Mr. Howard Hampton: Okay. We'd also like to know who is on the Metis committee.

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: It is your contention that people on the committee were all consulted and made aware of the announcement before May 15?

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: Okay. What role did this committee have in this announcement—or first of all, in deciding this amount of funding?

Hon. Michael Bryant: The number that it ends up at in years three, four, five, six and seven obviously has yet to be determined. For the next two years it's \$25 million, and one of the reasons for that is to see how money is spent on a quarter-by-quarter basis and assess that before moving to perhaps a more regular allocation.

Mr. Howard Hampton: So the committee decided on \$25 million over two years?

Hon. Michael Bryant: The government decided, in consultation with the committee.

Mr. Howard Hampton: I'm told that in fact there were people on the committee who were calling for \$200 million for this fund over two years.

Hon. Michael Bryant: Perhaps, but again, the idea was not to say, "Here's what it's going to be every year forever more," but rather to say, "In the next two years the government will be spending \$25 million." Again, it was not only accepted, but it was done with the support of Grand Chief Toulouse, and he indicated as much in the announcement.

Mr. Howard Hampton: Just to be clear, there were people on the committee who were calling for \$200 million over two years?

Hon. Michael Bryant: No, over 10 years. To be clear, there had been no written proposal. There had been no

submission provided by the chiefs with respect to the dollar figure. It was proposed either viva voce or in a letter, the \$200 million over 10 years. It was raised in the committee meeting as well. Two hundred million dollars over two years isn't my recollection at all. It was \$200 million over 10 years.

The Chair (Mr. Tim Hudak): For the sake of the members of the committee, this is the participation fund that you're asking questions about?

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: Yes, it's the new relationship fund.

The Chair (Mr. Tim Hudak): Sorry, the new relationship fund. Okay, thanks.

Mr. Howard Hampton: New relationship fund. That's what it's called.

The Chair (Mr. Tim Hudak): Thank you.

Mr. Howard Hampton: And no one indicated on the committee that the \$25 million over two years falls far short of what is necessary to be effective?

Hon. Michael Bryant: Directly to me, no, but I'd say obviously we'll be assessing what the needs are over the course of the next two years. Certainly we want to make the appropriate investment. We want to make sure that we achieve the goals of the committee. Whether or not that number is adequate, we'll have a better sense of it over the next two years.

Mr. Howard Hampton: But it was the government's decision, \$25 million over two years?

Hon. Michael Bryant: Obviously, yes. An expenditure of the government is going to be made by the government. As Grand Chief Toulouse said, "We want to be part of these decisions. We want to have input on these decisions." To the extent to which we can collaborate literally on the decisions, we'll do that, but ultimately they do require orders in council or minutes of the cabinet or, in some cases, perhaps down the line, legislation that has to be initiated by the government and passed by the Legislature.

Mr. Howard Hampton: This won't have to be passed by the Legislature.

Hon. Michael Bryant: No, this one would be the order in—

Mr. Howard Hampton: This is simply a cabinet decision: \$25 million over two years.

Hon. Michael Bryant: That's the way governments spend money, yes.

Mr. Howard Hampton: What role will the Ipperwash Inquiry Priorities and Action Committee have in consultations as to how this funding is divided up?

Hon. Michael Bryant: Entirely.

Mr. Howard Hampton: They'll make the decision?

Hon. Michael Bryant: We'll make it together. Hopefully, there'll be agreement and we'll find an agreement as between the Metis committee and the First Nations committee and the government.

Mr. Howard Hampton: At the end of the day, will the committees decide how this funding is divided up and where it will go?

Hon. Michael Bryant: The goal is to do it by consensus and have an agreement on it.

Mr. Howard Hampton: And it's your contention there was a consensus on the figure of \$25 million over two years?

1620

Hon. Michael Bryant: Again, the discussions were had about the two years, and Grand Chief Toulouse certainly had supportive words for it and said as much.

Mr. Howard Hampton: I don't think Grand Chief Toulouse constitutes the whole committee, does he?

Hon. Michael Bryant: Look, I don't speak for the confederacy, Mr. Hampton, but Chief Toulouse does. He is the regional chief for Ontario and the head of Chiefs of Ontario.

Mr. Howard Hampton: Is it your intention to implement all of the recommendations made by Justice Linden in the Ipperwash report?

Hon. Michael Bryant: Yes.

Mr. Howard Hampton: How many Ipperwash recommendations have been implemented to date, and which ones are they?

Hon. Michael Bryant: You might need to help me out here. The return of the park would be one; the new relationship, again, while not fully implemented, would be another; the creation of a Ministry of Aboriginal Affairs—that it be a stand-alone ministry—would be another.

Ms. Lori Sterling: The creation of the priorities committee.

Hon. Michael Bryant: The creation of the priorities committee, being a reflection of the consultative implementation of the public inquiry recommendations.

Ms. Lori Sterling: And a commitment to work with the federal government on new land claim processes.

Mr. Howard Hampton: A key recommendation of the Ipperwash report was the creation of a stand-alone treaty commission, which Mr. Justice Linden called the Treaty Commission of Ontario. He makes a number of recommendations on the commission, stating among other things that it should be established by statute with a permanent staff and a treaty commissioner. When will the treaty commission, so strongly recommended by Mr. Justice Linden, be put in place?

Hon. Michael Bryant: I certainly take my lead from the committee on these things. I should say that the meeting that we had dealt with a number of issues, and that was certainly one of them. Was it the number one priority raised? It wasn't, I guess, as quantitative as that. It's clearly a major commitment and it's clearly a major priority for First Nations and Metis. Therefore, it is for us as well.

Mr. Howard Hampton: So when will the treaty commissioner recommended by Mr. Justice Linden be put in place?

Hon. Michael Bryant: After our consultations continue. I would anticipate that at our next meeting, we'll begin discussions on exactly that.

Mr. Howard Hampton: What is the consultation about? As I read Mr. Justice Linden's report, this is up there at the top of the list in terms of priorities. He's very clear in terms of setting out what the commission must deal with and the issues that have to be addressed. What are the consultations about?

Hon. Michael Bryant: Are you suggesting that we not consult on the commission?

Mr. Howard Hampton: No, I'm just asking: What are the consultations about?

Hon. Michael Bryant: How it would operate—and, of course, there's a major federal component to it, so we would have to work with the federal government to determine exactly how the new process would unfold.

I don't agree with you if you're suggesting that Justice Linden set out an exact, cookie-cutter, specific outline as to what the commission would look like. Yes, there were recommendations as to what needed to be addressed and how the commission would be different from the current system. But clearly, there are a lot of details that would need to be worked out, and that's exactly what we would consult on.

Mr. Howard Hampton: You mentioned the federal government. How long has the McGuinty government been in discussion with the federal government on the treaty commission?

Hon. Michael Bryant: Well, I wish I could say that the federal government was as committed to a new treaty reform process as the provincial government. I've had some discussions with the federal minister about federal-provincial reform and the treaty commission itself, and that's as far as we've gone.

Mr. Howard Hampton: Mr. Justice Linden also stated that if an agreement to establish the commission cannot be reached with the federal government, then the province should establish it unilaterally. Will the province move to establish a much-needed treaty commission of Ontario if an agreement cannot be reached with the federal government by, say, year's end?

Hon. Michael Bryant: I don't think I can say yes or no to that, simply because—firstly, Justice Linden was pretty clear that having a federal-provincial commission is and ought to be the goal, and that is our goal. Certainly, in my discussions with the federal government, I wouldn't want to suggest, "Well, it's really easy for you to back out here, and you should, because then we'll set it up ourselves."

Besides that, a point which I think is a public interest one: I'm sure you'd agree that because the land component of claims and the cash component of claims are entirely interconnected, and because of the research considered on a provincial claim and the research considered on a federal claim—and that the quantifying and the provision of evidence ought not to be repeated and have the wheel reinvented—I think that the goal has to be to have a federal-provincial approach, because otherwise we'll continue to have a disconnected approach.

Mr. Howard Hampton: But Mr. Justice Linden was also very clear that if an agreement to establish the com-

mission cannot be reached with the federal government, the province should establish it unilaterally, because there are significant areas where the province could move unilaterally or where the province could then spur the federal government to move. My question is fairly plain: If an agreement cannot be reached with the federal government by year's end, is Ontario prepared to move unilaterally to set up—as I read the report, I thought it was *numero uno* in terms of importance?

Hon. Michael Bryant: Yeah, and I believe that the commission recommendations say that the *numero uno* reformed treaty process would be a federal-provincial treaty process, and not a provincial treaty process alone. I understand that that's what Justice Linden found, and I'm certainly not ruling that out. I'm just saying that I don't know why on earth any province which is determined to establish a new federal-provincial process would immediately abandon at estimates committee the idea that it would be something other than a federal-provincial approach. It's mostly federal government decision-making, and therefore I believe that it should be combined. I'm aware that Justice Linden made that recommendation, but we're pretty focused on the first right now.

Mr. Howard Hampton: So I'll ask this question again: Will the province move to establish a Treaty Commission of Ontario if an agreement cannot be reached with the federal government by year's end?

Hon. Michael Bryant: I keep on repeating myself in different ways, which I suppose is to my advantage, because I use up the time, I say to the Chair.

The Chair (Mr. Tim Hudak): I think the minister has answered that question a couple of times.

Mr. Howard Hampton: I want to ask you about Matawa First Nations. In a press release dated April 28, 2008, Matawa First Nations states that they learned of Platinex staking mining claims on the traditional territories of Webequie First Nation, Eabametoong First Nation, Marten Falls First Nation and Neskantaga First Nation through the media. My question is, do you think it is right in Ontario today that First Nations in Ontario learn that their traditional lands have been staked by a mineral exploration company through the media?

Hon. Michael Bryant: This ain't in the estimates, but it doesn't matter; I'm happy to do my best to co-operate. This is not within the Ministry of Aboriginal Affairs estimates, is what I mean. There's no question that consultation has got to be a part of any staking exploration and projects. That, in fact, is the general practice. That did not happen in that case, and that was certainly wrong. That's exactly why we need to change the Mining Act.

The Chair (Mr. Tim Hudak): That concludes the time for Mr. Hampton's 20 minutes. Thank you, Minister.

I appreciate that there are, from time to time, questions that may not be specific to spending in the Ministry of Aboriginal Affairs, as members have seen. I try to give some scope to members. This ministry does have a different role than most ministries in terms of its advocacy

role and its corporate management across ministries. If the minister is not aware of another ministry's activities, that's fine; it's an understandable answer. But I think Mr. Hampton's last question was in order in a general sense on the ministry's advocacy and corporate management role.

I'm going to go to the government members. They have 20 minutes. Mr. Craitor.

1630

Mr. Kim Craitor: I have a couple of questions of the minister I'd like to ask that are certainly relevant to me, and they deal with the gaming and revenue-sharing model. Just before I ask them, just to share with you and the committee as the member from Niagara Falls, Niagara-on-the-Lake and Fort Erie, in Niagara Falls we have two casinos. I was on city council and I was there when we tried to negotiate a revenue-sharing model deal with the government of the day because we had two casinos—at that time we had one, but because we had a casino coming to Niagara Falls. I've been fortunate to also become the member for Fort Erie—

The Chair (Mr. Tim Hudak): I miss it. The Chair misses that.

Mr. Kim Craitor: In Fort Erie, we have the slots. I have to say, with the greatest respect, that it was a good revenue-sharing model that your government, Tim Hudak, came up with to benefit the town and the race-track. I'm sharing that with you because I know the importance of revenue-sharing models and how they can impact the community.

I had three questions that I wanted to just run by you. First of all, on the gaming and revenue-sharing agreement, how much have the First Nations received to date? How much have they received?

Hon. Michael Bryant: The commitment is a projected \$3 billion over 25 years. There was a lump sum payment made in February of—it was either \$200 million or \$201 million—

Interjection.

Hon. Michael Bryant: It's \$201 million, right. That's it. Thank you.

First Nations will also collect their Casino Rama net revenue through to April 2011. But, specifically under this agreement, the February \$200-million payment was made and the distribution of it was part of a formula set out by the First Nations company that was established to distribute and manage the funds.

Mr. Kim Craitor: I wish you had been there when we were negotiating our agreement.

The next one is: What will the funds for the gaming and revenue-sharing agreement be used for? What are some of the benefits that will come out of this?

Hon. Michael Bryant: By and large, the approach is to recognize the self-determination of First Nations. The experience south of the border is that where there was undue prescriptive government management of First Nations' funds, it didn't work. It wasn't effective. For example, the annual average income didn't move that much. To what degree that was caused by the failure to

get the funds flowing or not, I don't know. But the overly prescriptive approach, besides the fact that it violates the general approach of First Nations being able to be more than capable of determining their own economic fate, also the long-term historical and comparative experience is that it wasn't acceptable.

The goal was to find an agreement that, firstly, would achieve the consensus of First Nations and, secondly, was overall in the public interest. What was worked out was that the funds would be spent on five purposes outlined in the agreement: health and education, and community, cultural and economic development. They're the same purposes that were set out under the Casino Rama agreement as well and that are still currently in force.

The agreement also allows the Ontario First Nations Limited Partnership—the company I referred to before—to pool up to 15% of the total funds, prior to the distribution, for collective uses and investments for all First Nations in Ontario. That's it in a nutshell.

Mr. Kim Craiton: The final question, and you may have already touched on this, is the differences between the Casino Rama agreement and the new agreement we have with First Nations.

Hon. Michael Bryant: The biggest difference is that it's not about one casino. It's not all about one casino. The Casino Rama agreement was about sharing revenues from Casino Rama. From the First Nations' perspective, in order to see long-term, reliable distribution of funds, it wouldn't all be tied to a single casino, it would be tied to gaming across Ontario. Depending on the economy, depending on demographic reasons, other factors, one individual casino may render a little bit more revenue or a little bit less revenue over the years. The idea was that if this is about sharing in revenue, it should be about sharing in revenue, not sharing in revenue of a single casino. That would be the biggest difference.

The concern from the First Nations' perspective was that there could be significant fluctuations from month to month resulting from changes in a particular casino's revenues from month to month. So the new agreement draws on revenues from all Ontario Lottery and Gaming Corp. revenues and it ends up providing more stable monthly payments to First Nations from 2011 forward. But it's not just about revenue distribution across the province. The other reason was to ensure a co-management approach with respect to First Nations. Instead of a potential violation of the agreement or statute that took place being only the responsibility of the government to address, it meant that because there was sharing in all of the gaming revenues, it was in everybody's interests that together we address any potential—I guess, for that matter, potential negatives but also potential positives. So if the revenue increased significantly over the years in a particular casino or if in fact the gaming policy of the province evolved over the years such that it saw an expansion of gaming, it meant that they would be a part of that expansion.

Mr. Kim Craiton: Thank you.

Mr. Lou Rinaldi: How much time do we have, Mr. Chair?

The Chair (Mr. Tim Hudak): You have quite a bit of time. It's 4:37, so you have 12 minutes left. So Mrs. Mangat, the floor is yours.

Mrs. Amrit Mangat: Minister, I commend the work your ministry is doing and the honest efforts your ministry is making to improve the living conditions of aboriginal people. I would like to ask a couple of questions. My first question is, what is our government doing to promote the development of an aboriginal middle class?

Hon. Michael Bryant: You know, the reference to an aboriginal middle class is as much a reference—personally, I take that phraseology from national Chief Phil Fontaine, as well as the Right Honourable Paul Martin, I will say in a very non-partisan way. It's meant to really suggest that we ought to see to it that one of our goals is to assist First Nations and Metis people in joining in mainstream prosperity, but joining in mainstream prosperity sounds a little jargonesque and bureaucratic. The truth is that expanding the middle class of aboriginal peoples means expanding choices and opportunities, the idea being that with that standard of living increased, with the income increased in particular, other things would follow and the opportunity to pursue the things that I get to pursue and my family gets to pursue and many people in Ontario get to pursue is something that they pursue. So the idea is not just about the economics, but it's about what comes with that as well. It's a strategy about education, it's a strategy about housing, a strategy about health care, and the wide variety of issues where First Nations, Metis and Inuit people lag far, far, far behind the non-aboriginal population.

1640

So, how do we do that? As I said before, it's promoting partnerships, removing obstacles, creating business opportunities where we can, to the benefit of all. Where you have partnerships between First Nations—for example, within the energy sector or within the mining sector and the forestry sector—you, amongst other things, create a certainty and a climate within that particular region or within that particular sector such that, internationally, it's understood that this is a good place to do business.

I grew up in British Columbia, and in more than 90% of the province, there were no treaties that were signed. It was the only province, obviously, in that situation. As a result of that, there were comprehensive land claims and then eventually blockades and injunctions, to the point where there was a lot of economic uncertainty in the province of British Columbia throughout the 1980s and peaking in the 1990s. So that province had to, amongst other things, address the land claims, and the federal and provincial governments are doing that. In turn, what's happened is there are economic partnerships taking place all over British Columbia. Instead of the climate being one of significant uncertainty—for example, for resource business investments—it's a far more welcoming cli-

mate, which, again, is not only consistent with our goals with respect to aboriginal affairs and expanding the aboriginal middle class but also is good for the overall Ontario economy.

In addition to the specific economic development initiatives—the sharing of revenues of gaming—really, the purpose, the goal, the focus of the new relationship fund is to provide the individual and the community capacity, the education, if you like, to allow for aboriginal peoples to participate in these economic partnerships, because if a community or an individual doesn't have the skill set to do that, then those partnerships won't happen. That's the goal and those are some of the ways in which we're trying to address it.

None of that can happen, again, in a climate where there's significant uncertainty or lack of progress with respect to the resolution of claims, so that's another significant part of that. That's why the action taken in December to return Ipperwash Provincial Park was not only addressing an historic grievance, but it was also to enable that community to get on with the economic development that it wants, and that's exactly what's happening.

Mrs. Amrit Mangat: What do you see as essential to promoting long-term economic development in First Nations communities?

Hon. Michael Bryant: Far be it for me to pronounce upon exactly the way that should be done. That has to be done in partnership with aboriginal peoples, because the government-knows-best approach has not worked in the past.

The idea is to work with First Nations leadership on what they say are the means by which we do promote economic development. We addressed that through the Ipperwash Inquiry Priorities and Action Committee, and we address that in the regular discussions that we have with aboriginal leadership. From a pragmatic perspective, when a First Nation approaches us with something where we can do something, we do it.

Mrs. Amrit Mangat: My next, and last, question is: What do you see as some of the more important issues affecting First Nations, Inuit and Metis people today, and what do you feel is the best approach to help resolve those outstanding issues?

Hon. Michael Bryant: The idea that a province is going to be able address the host of issues I think is misguided. I think most people understand very well that the federal government does have the constitutional responsibility and historically has been the service provider, certainly on-reserve. The approach that was entrenched in the Kelowna accord said, in fact, that the provinces would play functionally a greater role because the federal government was actually going to provide the financing necessary to address health care needs and housing and education, because the gaps that exist on-reserve and off-reserve are intolerable. It's obviously extremely unfortunate that the federal government of the day, in fact, throughout that accord—again, I would say that the priorities ought to be set by First Nations and are

being set by First Nations, and we're working with First Nations to address those very issues.

Also—and I don't know if that is what Mr. Bisson was referring to, but I know he would agree with this—there are 140 First Nations in Ontario, and each one is different. There's certainly an understanding by this government that one-size-fits-all doesn't work. You can generalize somewhat and say that the needs in the north are different than the needs in the south, but each one is different, and each nation, not surprisingly, has its different heritage and history and culture and approach. In some cases, for instance, they may have urgent housing needs, they may have urgent water needs, or they may have urgent health care needs. For others, that's not the challenge; it's urgent education needs. Also, the approaches are different. So I think it's important that the government acknowledge that generalizing can actually backfire, so it's not a cookie-cutter approach.

The Chair (Mr. Tim Hudak): We have about two minutes left. Mr. Rinaldi.

Mr. Lou Rinaldi: Maybe if I could just make a comment; we really don't have time for a question. Just to let you know, Minister last night I had the privilege of being at the AGM of the Northumberland CAS, and, in cooperation with Alderville First Nation, they put on quite a display. I was very, very impressed by Chief Jim Bob Marsden and how, together with CAS, they have a joint annual meeting. For the very first time, I thought you'd like to know that I did my powwow. Together, the communities really united, both from Cobourg and Alderville, which is about 20 minutes north of Cobourg. So it was an excellent evening, and I wish we could replicate that across Ontario.

Hon. Michael Bryant: It's hard to believe that 100 years ago, the powwow that you participated in was literally criminalized. Potlatches and powwows were contrary to the assimilation approach of the governments of the day, and those cultural activities were banned. It's obviously a tribute to their leadership and their elders and First Nations people with respect to powwows that in fact they were retained and continued and that a member of provincial Parliament, no matter what party they're in and what part of the province they're in, is participating in that, amongst other things. It's great food and everybody needs the exercise, right?

Mr. Lou Rinaldi: Absolutely.

The Chair (Mr. Tim Hudak): There'll be time now for one more set of rotations in this afternoon's session; 20 minutes to the official opposition. Mr. Barrett.

1650

Mr. Toby Barrett: In our estimates binder, the results-based plan for 2008-09 is quite a readable plan, but I would wish to follow some of the priorities and the results set out in the results-based planning for the ministry.

There's a section on page 6 with respect to enhanced land claims settlements, with one goal to promote social harmony and economic development. Just to follow from that, there are a number—it's confusing—of incidents

across the province. Some people refer to them as claims and some people refer to them as disputes. The federal government is unclear on some of these issues as well.

I think of the Hagersville subdivision. I was there when people came in wearing masks and took over, and Dan Valentini, a homebuilder, and Almas construction had to pull their equipment out that morning. This was a \$20-million project, much of it for retirees. Is the ministry involved at all in talking about that?

Hon. Michael Bryant: About?

Mr. Toby Barrett: About that Hagersville occupation.

Hon. Michael Bryant: Look, I and the ministry work with the mayor, council, developers, local citizens to try and find resolutions where there's a conflict, and that's the role we ought to play. Then, to the extent that it's something that falls within keeping the peace, that's within the jurisdiction of the police.

Mr. Toby Barrett: Yes. I know the proposed home-building project in Deseronto—I think it's called the Cuthbertson tract—is something like a \$280-million project. I was down there a few weeks ago. I don't know the area that well. What is the status of that? Is that an actual land claim or is it a dispute—this Cuthbertson tract, adjacent to Tyendinaga and Deseronto?

Hon. Michael Bryant: My understanding is that it's a federal land claim.

Mr. Toby Barrett: Okay. One other—and this has come up as well—is the Ancaster site. There was a proposal there for building homes in the Ancaster area. I don't know whether Mattamy Homes was involved with that and they swapped land with the Ancaster fairgrounds. We know it's not part of the Haldimand tract. There was discussion that the Mohawk people swung by there because of the Nanfan Treaty of 1701, I think. I understand that relates to hunting and fishing rights on crown land. Any thoughts on that one?

Hon. Michael Bryant: Again, to the extent that they become subject to the negotiations over claims, that's exactly what I'm saying, that we need a lot more action from the federal government. I'm not the only one saying it; the national chief said that quite explicitly yesterday. It's not just the claims, but, as I said yesterday, it's what comes out of the claims, the conflicts that come out of the claims. I know the member tends to focus on that particular conflict, and there's a role for the province and there's a role for the police to basically address the outflow of the failure to resolve the claim. But the lynchpin is the claim itself, and that's why we want to get more attention from the federal government on those claims.

Mr. Toby Barrett: I was up at Sharbot Lake not too long ago—the uranium mining proposal and Frontenac Ventures. This is perhaps not necessarily a native or non-native issue. There seems to be a mixture of people who were concerned about a uranium mine. There's beautiful tourism country up that way as well. But there's something like \$1 billion resting on that project, or the potential to inject \$1 billion into that broader economy.

That side of it is a benefit for all, whether there are other views on uranium. I just see signs on Highway 7. Is that one going anywhere? Is the mining company able to go forward on that? Do we know?

Hon. Michael Bryant: The goal is to find some way to forge an agreement that's agreeable to the First Nation and agreeable to the company. That happens in more than 95% of the cases in the province of Ontario. This is an instance where that has not happened yet. The short-term work to deal with it is being done, but the long-term work is changing the Mining Act.

Mr. Toby Barrett: Did you say changing the Mining Act?

Hon. Michael Bryant: Yes.

Mr. Toby Barrett: We have heard about that perhaps coming forward in the fall. Is it Platinex—

Interjection.

Mr. Toby Barrett: My colleague to the left may know more about this. Thunder Bay—Platinex—is that a \$500-million project that perhaps can be resolved through changes to the Mining Act?

Hon. Michael Bryant: The changes to the Mining Act that would take place would deal with the statutory requirements going forward in the event that the Legislature passes the changes. But with the ongoing projects, where there's a disagreement—which again is the exception as opposed to the rule, where in fact agreements are made and are a success to all—an effort has to be made to try and negotiate an agreement. Sending it off to the courts has not in fact generally had much success.

Mr. Toby Barrett: I understand this Aaron Detlor, lawyer, is involved with—according to the media, it's a \$550-billion claim up in the Sudbury area.

Mr. Gilles Bisson: It's \$550 billion.

Mr. Toby Barrett: Yes, \$550 billion. That's strictly through the courts. Would the ministry have to be involved in that as well?

Hon. Michael Bryant: Once it's before the courts, it's before the courts. And it's one where counsel engages in advocacy and independent decisions are made by the Attorney General as to what positions ought to be made. It's within a legalized context, which doesn't allow for the flexibility that you get out of negotiations, which is why negotiations are always vastly preferable, in my view.

Mr. Toby Barrett: Just looking at your budget, we know it's doubled in the past year, but compared to the provincial revenues and expenditures, it's still relatively small. I don't know how this ministry can cover off on all of this activity across the province—and I've just touched on a few. On a court case like the \$550-billion one—

Interjection.

Mr. Toby Barrett: Sorry, Chair?

Hon. Michael Bryant: I'm going to cut and paste that comment and send it to the finance minister, but—

The Chair (Mr. Tim Hudak): He wants an increase in his budget—

Mr. Toby Barrett: I guess that's our job, to determine the resources and how they're allocated—it's your job, but we understand having you before the committee to listen to us.

With court cases, it would be the Attorney General who would provide legal counsel to—or the OPP lawyers, perhaps?

Hon. Michael Bryant: No. Once it's before the courts—I mean, if you're talking about a claim—

Mr. Toby Barrett: Yes, an actual claim.

Hon. Michael Bryant:—the Attorney General makes judgments and agents of the Attorney General—counsel—make judgments. There's an important, very experienced and really probably Commonwealth-leading division within the Ministry of the Attorney General that deals with aboriginal rights issues and aboriginal claims. But they operate within the confines—I underline “confines”—of jurisprudence and an advocacy, one might say, in some cases an all-or-nothing approach, which takes a significant amount of time, which involves a certain amount of legal costs, although the Ministry of the Attorney General, unlike the federal government, which to a certain extent outsources that to legal counsel—it's almost all in-house for the Ministry of the Attorney General.

1700

It ends up being decisions made in a legal context. It can't be political decisions, it has to be legal decisions. The way in which we think we resolve this is through endeavouring to establish some trust through relationships and discussions, and that cannot be done through advocacy in the courts, but if that's the only venue that it ends up in, that's the only venue that it ends up in. We can hardly say that it's been a successful approach, given where we're at right now and given the state of the standard of living and the health and education challenges of First Nations and Metis and Inuit people.

Mr. Toby Barrett: There's another one. This is close to home in my riding, in the village of Cayuga. Mike Corrado is a home builder in partnership with Eccles construction, and they are working on 100 homes. It's sat for a year, a year and a half. I think it was last summer that they started building homes. There's quite a bit of activity there. It's about a \$40-million project. It's in the Haldimand tract. It has been shut down by HDI a number of times—I assume HDI. Ms. Ruby Montour and husband Floyd have been there. I think the home builders have received or have asked for a court injunction. Is that a route to go? Does that help resolve issues?

Hon. Michael Bryant: Look, it's up to individuals and individual companies to decide what they're going to do.

Just firstly, you said you assume it's HDI that shut it down. Let me not get into that particular instance.

Mr. Toby Barrett: It's up to you if you want to discuss that.

Hon. Michael Bryant: Just generally speaking, the member may know that in some cases the activity that

takes place that prevents, say, construction from taking place is non-aboriginal community members who object to the development for other reasons, for the reasons that we're often familiar with as members of provincial Parliament—disagreements about the size or the location. I don't think it's right to assume that in every single case it's 100% involvement. So you're right to say you assume; it's not necessarily the case. Again, I'm not getting into that particular one.

Ideally, what you get is an agreement so that the activity can continue and there's an understanding between all parties as to who does what and who goes where and how it takes place. That is ideally resolved through negotiations.

Again, why is that happening? It's happening because of an outstanding land claim. If we're talking about Haudenosaunee, we're talking about a 200-year-old dispute between the federal government and Haudenosaunee Six Nations.

Mr. Toby Barrett: Yes. Cayuga is in the Haldimand tract; downstream, Dunnville is in the Haldimand tract. I understand Mattamy construction had—I don't know whether they have or had plans in the works for 500 homes. I've been given figures of a \$340-million contribution to the Ontario economy. We haven't heard much about this one.

Dunnville now, like Brantford, seems to be getting hit hard. We lost the TSC store, the Tractor Supply Company store that was coming to Dunnville. A Wal-Mart was to be built in Dunnville. Our Chair is a former MPP for Dunnville; I'm presently MPP. There are a number of other businesses, and I have them listed here.

The Mudcat Festival is coming up in a week. They have lost their community donations, their funding, for this festival. I don't think this ministry can budget to help out. I know I've written a cheque and my staff have written a cheque. I just draw your attention to the problems in the town of Dunnville, a town, like Brantford, whose time has come for a bit of economic activity. I just draw your attention to that.

Of course, Caledonia, at one time the fastest-growing town in the province of Ontario—projections of 4,000 additional homes to be built in Caledonia, as you may know. That was estimated at about a \$740-million contribution. I know it's probably a big draw on your budget. We should be cognizant that there were other planned homes to be built beyond the Douglas Creek subdivision. We've talked about this. I won't go further on Caledonia.

In Brantford, the industrial park to be constructed by First Gulf, and also a shopping mall in Brantford planned for construction by First Gulf: The industrial park projections that I've been given are of \$500 million into the Ontario economy, and for the shopping mall, a \$50-million impact on the local economy. Again, these are very serious figures.

How many minutes do I have?

The Chair (Mr. Tim Hudak): Just under five.

Mr. Toby Barrett: Okay. I may not get through the list. The figures that I have been given total something like \$4 billion in lost economic activity.

We go on: Brantford Losani construction, 300 homes sitting on hold; an estimate of a \$280-million economic impact.

I certainly have received questions and e-mails about all of these developments. There is an expectation—we have government for a reason. People do look to the new Ministry of Aboriginal Affairs. Again, going back to the deliberations before this committee and any advice that we provide on the allocation of resources from this ministry with your budget plans, I can't stress enough how serious this is.

I mentioned the Wal-Mart in Dunnville; TSC—Fortinos was another company that didn't show up. I was in a manufacturing operation there Friday night. They've gone from 500 employees down to seven. I don't know whether that's related or not. I've got figures, when you have Wal-Mart and these things coming in, of a potential \$600-million contribution to the Ontario economy, just from that projected development in Dunnville. Whether it's your ministry, and all ministries beyond the Solicitor General, I feel there's probably an awful lot more the government could do with respect to some of these issues.

I have a total that was given to me, \$4.1 billion, that could be injected into the Ontario economy if these projects had gone forward. There are other occupations or protests or uncertainties across the province that I haven't mentioned. I've been given figures of a \$7.5-billion hit. I know the mandate of your ministry, as with, really, all ministries, is to continue to promote social harmony and, just reading the document, economic development in communities affected. I know the co-ordination role that your ministry plays with respect to these issues. I just encourage you to fight to get additional resources to continue to deal with this.

The Chair (Mr. Tim Hudak): You have two minutes, Mr. Barrett, if you want to use it.

Mr. Toby Barrett: More specifically too in Mount Pleasant, outside of Brantford, there has been a move there as well. Brookfield construction have a 300-home proposal there, and I think they had a visit from somebody, which was a little chilling for that community. There are 10 or 11 or 12 Ontario Realty Corp. properties, some in the Haldimand tract, like the Cayuga Courthouse, Rock Point Provincial Park, Selkirk Provincial Park. A number of these properties are owned by the Ontario government, and through ministry negotiations, development has been frozen. Why would that be?

Hon. Michael Bryant: I don't for a second want to suggest that this is the case for all of the developments, but in some cases, and this happens sometimes, incidents that actually have nothing to do with aboriginal government relations end up being lumped in. There are some cases—I'm not saying any of the specific projects you mentioned, but maybe a couple of them—where in

fact the developments didn't go forward because the Ontario Municipal Board ruled that they ought not to go forward.

1710

But to your more general point: What we do is we work with mayor and council. For instance, \$3.5 million invested for municipal roads and bridges in Haldimand county; \$400,000 for affordable housing; and particular investments such as \$1.3 million for 150 businesses impacted in 2006, and there's a list. We have a role to play, yes, to deal with specific events, some of which you refer to, but again, what is the cause of all this and what is the long-term solution? It's the resolution of claims.

The Chair (Mr. Tim Hudak): Thank you, Minister.

Mr. Toby Barrett: On a point of order, if my time has run out: I'll just provide the list to the committee and to the minister—

The Chair (Mr. Tim Hudak): The particular projects that you mentioned earlier on?

Mr. Toby Barrett: Yes, the ones I've mentioned, and there are a couple I missed.

The Chair (Mr. Tim Hudak): Okay.

Mr. Toby Barrett: I'd like to distribute that list—

The Chair (Mr. Tim Hudak): Just for the benefit of the members of the committee, to see the different projects that are—

Mr. Toby Barrett: I'll put my questions in writing to the minister, because I'd like a more fulsome answer on some of them.

The Chair (Mr. Tim Hudak): We are back on Tuesday, so you'd have a chance there to do so if you'd like. Questions are to be answered later by the minister, just like they would be entered orally into the record.

Mr. Toby Barrett: I went through that very quickly. I just thought to better enable members of the committee to know what I'm talking about, because there are a number of them that I missed.

The Chair (Mr. Tim Hudak): Okay.

M. Bisson, you have 20 minutes.

Mr. Gilles Bisson: I was going to go in one direction, but I just want to say up front, as the representative of a riding that has many aboriginal communities and as a member of a party, the New Democratic Party, that believes we need to find ways of incorporating, engaging and involving First Nations in economic development, I don't buy for a second that they're a hindrance to development. This whole diatribe that we just got previously from the Conservative member, that somehow or other the development is all being held up in Ontario because First Nations are getting in the way, I just find, quite frankly, somewhat offensive.

We have been very fortunate in Canada and we've been very fortunate in Ontario that First Nations wanted to share territory with us. It's still their territory; they never ceded the territory of Canada or Ontario to the federal or provincial governments. We're supposed to be sharing. The problem is, we're not doing a very good job on the sharing part.

In the past, we got away with it as Europeans, as they see us, for a whole raft of reasons: (a) we're pretty aggressive as Europeans; and (b) they're pretty passive people, and they were trying to figure us out. So what we're seeing today is, in the case of where I come from in my constituency and across the north—and I would imagine it's the same in Caledonia—people are saying, "Listen; we're not going to repeat what we've had for the last 100 or 200 years on this continent or in this country. We need to find a way to coexist so that we all can benefit from the benefits of Canada, the benefits of Ontario and the resources that we have and the businesses that we operate in our jurisdictions. We just need to figure out how to do that."

I'll tell you, we are very lucky as people that aboriginal people are very peaceful, and the minister knows that. They are probably the most peaceful people on planet Earth, and they're very patient. They've put up with us for a long time. What we hear now today is more and more communities across Ontario, from the south to the north, from the east to the west, that are saying, "Enough. We need to figure out how we change the errors of the past and how we share."

I just want to put that up front. I don't see First Nations as a hindrance to economic development in northern Ontario or in southern Ontario. In fact, we can do quite well, and we can do better if we work together.

I've got a series of questions. I've got probably about 18 minutes left, because I've used two minutes for that. I guess the first question I want to ask—and I just want to confirm, because I imagine the answer to this question is yes. The creation of the Ministry of Aboriginal Affairs was to create a one-window approach for First Nations—tribal councils, individual native organizations or First Nations communities—to access the provincial government. I'm correct in assuming that; right?

Hon. Michael Bryant: Yes, and you'll know that in the past, I think primarily inadvertently, what happened is that one ministry would say, "Sorry; don't talk to me; go talk to that ministry." This way, yes, it's always multi-ministerial. Instead of making First Nations go from ministry to ministry, that's our ministry's job. That's absolutely one of the purposes behind having a stand-alone ministry.

Mr. Gilles Bisson: Your ministry has been given a budget of 50-some-odd-million dollars to deal with some of the issues that you're responsible for, but you also have a say in lobbying other ministers in trying to deal with other issues—education, whatever it might be—right?

Hon. Michael Bryant: Yes.

Mr. Gilles Bisson: Can you explain that role just a little more clearly?

Hon. Michael Bryant: Sure. A lot of the specific expertise for the various issues that are particular priorities and challenges for aboriginal communities—education, health care, housing—lies in other ministries. So our job in the Ministry of Aboriginal Affairs is to assist

those ministries and also to be accountable and responsible for moving the issues through.

Part of the increased budget gives us more policy capacity. Just as an example, I had an opportunity to speak with hundreds of civil servants a couple of months ago, all from different ministries, all of whom work in the area of aboriginal affairs in one way or the other. I was there to talk about how we would better work together and coordinate. I'm supposed to orchestrate; you're right.

Mr. Gilles Bisson: So I'm correct in understanding that if I'm in Attawapiskat or whatever community I come from and I have a problem with the provincial government, one of the purposes of the new Ministry of Aboriginal Affairs is—that's the window you come to.

Hon. Michael Bryant: I'm certainly encouraging First Nations to do that. If they choose to go to a particular other ministry—

Mr. Gilles Bisson: I understand that, but you're the main spokesperson at cabinet. You're the main advocate for First Nations issues within the government. That's what your ministry does.

Hon. Michael Bryant: Yes. I don't want you to think that I'm alone and the executive—

Mr. Gilles Bisson: No, no, that's not my point.

Hon. Michael Bryant: Certainly, that's one of the purposes of—

Mr. Gilles Bisson: Other ministries have a role to play.

Hon. Michael Bryant: —having a stand-alone ministry, yes.

Mr. Gilles Bisson: No, no, but—

The Chair (Mr. Tim Hudak): Mr. Bisson, let the minister finish the question.

Mr. Gilles Bisson: He answered the question, so I was moving on.

The Chair (Mr. Tim Hudak): But you asked him for his role in cabinet and such, and give him some time to finish his answer.

Hon. Michael Bryant: The only thing I wanted to say, Mr. Bisson, is that—I guess we're six or seven months into this new ministry—inevitably, there will be circumstances where some First Nations and Metis leaders imagine that the approach is the way it used to be. So they will go to a specific ministry, and I often encourage them to come here so that we can do the coordination part.

Mr. Gilles Bisson: Exactly. So my understanding is correct, along with others, that you are the one-window approach. You can still deal with the other ministries straight off, but if you're looking for an ally to work with you in order to move your issue forward, you're the guy to go to.

Hon. Michael Bryant: I absolutely encourage First Nations—

Mr. Gilles Bisson: Okay. With that in mind, it sets up a whole bunch of other questions. I asked the other day, when I did my opening statement, about the issue of the 1965 agreement. Now, I'm sure that you have a response

because I see your ADM had a note as soon as I walked in the room—if you can give me a response to the question.

We have the 1965 agreement that was signed between Ontario and Canada when it comes to social services. If you can give me a bit of an explanation—either you or the ADM—if the province was to decide that it was going to increase services on-reserve, can they do that on their own or do they have to do that in consultation with the federal government?

Hon. Michael Bryant: I'll let the deputy answer this.

Ms. Lori Sterling: In particular, with respect to Ontario Works? That is what I gathered you were talking about.

Mr. Gilles Bisson: Yes, Ontario Works, or CAS, for example, because they're under that agreement as well.

Ms. Lori Sterling: You know there's a cost-sharing formula and there's a defined program that is found to be acceptable by the federal government.

Mr. Gilles Bisson: Can I just ask a question? For the committee, can you just say what the cost sharing is? I know what it is, but the committee should know.

Ms. Lori Sterling: The way it works is there are different formulas for different kinds of programs, but the main program is the Ontario Works program. The way it works with Ontario Works is that there's cost sharing. Eighty per cent is supposed to be provincial and then 20% is supposed to be federal, and the federal portion goes directly to First Nations. Of the 80%—that's the so-called provincial portion—93% of that is actually paid for by the federal government.

Mr. Gilles Bisson: We submit them a bill at the end of the year.

1720

Ms. Lori Sterling: That's right. So that is on the financial assistance and the employment assistance piece. In addition, there's a cost of administering Ontario Works, and that is on a so-called 50-50 formula, which means that 50% is paid for directly by the federal government to the First Nations, and then the other 50% is the so-called Ontario portion. Once again, of that, 93% is paid for by the federal government. Recently there was some discussion by the federal government that they wanted to change the funding formula, such that Ontario would not be able to recuperate—

Mr. Gilles Bisson: I say no to that.

Ms. Lori Sterling: You're asking whether Ontario could get more money from the feds, and I'm telling you that unilaterally they decided to actually reduce the amount of money that we would get on the administrative portion, and there are currently ongoing discussions to try to get them back up to the 50%.

Mr. Gilles Bisson: Just before you go to the next part, specifically on Ontario Works, there was a reduction under the Conservative government of 24% to benefits under Ontario Works. If the province of Ontario were to say, "We want to re-increase that 24% back," would the feds be obligated to pay their share?

Ms. Lori Sterling: I think the reality is that the feds would have the ability to decide whether they would want to consider that change an eligible change for funding or not.

Mr. Gilles Bisson: Because I've been told by bureaucrats in INAC that in fact they would have to pay. That's why I'm a little bit intrigued by this.

Hon. Michael Bryant: They wouldn't have to. Just to give another analogy quickly, because I know you want to get to this agreement, and I want to get to the answer: The investments made by the government of Ontario over the years into legal aid, increased significantly, were not matched by those increases federally, to the point where now it's 80% provincial, 20% federal. But it used to be 50-50, the point being that there's certainly no obligation, when the province makes a particular investment, for there to be a reciprocal increase, as much as I wish there might be.

Mr. Gilles Bisson: Carry on, Deputy.

Ms. Lori Sterling: Just to carry on with the question, you referred to the Indian welfare agreement of 1965, and you also asked, in addition to Ontario Works, what other kinds of programs would be covered by that. I thought I would give you the list of programs that we're aware of, although I must admit that, being the Ministry of Aboriginal Affairs and not the ministries that actually deliver these programs, I don't have any details beyond the names.

So in addition to Ontario Works, under the Indian welfare agreement, there's an allowance under the Blind Persons' Allowances Act. There's an allowance under the Disabled Persons' Allowances Act; there's an Old Age Assistance Act provision which has an allowance as well. There's a dependent father allowance. There's also assistance payable to widows and unmarried women. It's all archaic, as you can imagine, because the names are still dating from—

Mr. Gilles Bisson: 1965.

Ms. Lori Sterling: —1965. Yes. There's assistance payable under the Mothers' Allowances Act; rehabilitation services—we must have come a long way because it wouldn't be called the Mothers' Allowances Act if we passed it today.

Mr. Gilles Bisson: Exactly.

Ms. Lori Sterling: Rehabilitation services: There's residential shelter specialized in group care provisions made. There are particular kinds of allowances paid for children, some protection in care, boarding homes, day nurseries. There are grants in aid to housing corporations for aboriginal people. There are grants for approved corporations for infrastructures like social and recreational centres, especially for elderly persons. There are also homes for the aged, and there are provisions that allow for federal payments for the establishment and maintenance of those homes. Finally, there are homemakers' and nurses' services that also fall under that agreement.

That may not be 100% of the list, but that gives you a flavour of the extent.

Mr. Gilles Bisson: Could you please table that list with the committee for members?

The Chair (Mr. Tim Hudak): I'm sorry. This is a list of the different—

Mr. Gilles Bisson: Yes, what's covered under the 1965 agreement.

Hon. Michael Bryant: I mean, look—

Mr. Gilles Bisson: Of what you know. I recognize it may be missing some of it.

Hon. Michael Bryant: I think we're right, everything that we got, but if we get anything additional, I'm happy to supplement as we go on. We just read what we were able to obtain.

Mr. Gilles Bisson: Yes. Is there also a possibility of getting a copy of the 1965 agreement?

Hon. Michael Bryant: Regardless of whether it makes sense under the estimates committee, I'm happy to look into that.

Mr. Gilles Bisson: I would like to make the request that the committee be provided with a copy of the 1965 agreement.

The Chair (Mr. Tim Hudak): It's nice of the minister to produce that. I just want to remind members that these are the estimates for 2008-09.

Mr. Gilles Bisson: Chair, just to be clear, monies that we expend today are based on the 1965 agreement, and that's why I want a copy of it.

There we go: delivered. Excellent. Thank you very much.

Hon. Michael Bryant: Why can't we do this at question period?

The Chair (Mr. Tim Hudak): It might just help us from time to time, to make sure that the questions are in order, if you tie it to the estimates that are before the committee now.

Mr. Gilles Bisson: Yes, it's all tied.

Just another question to the deputy: Are CAS, children's services, covered under the 1965 agreement? I thought they were, and you said that they weren't on the list.

Ms. Lori Sterling: No. They were on the list that I mentioned. I said, "services to children, including protection and care."

Mr. Gilles Bisson: Okay. I'll come back to that once I've read the agreement. I'll do that next week.

Being the minister responsible for the one-window approach, obviously there's a raft of issues that are going to come through your door. One that we're dealing with right now, that your government is dealing with as well, is the issue of policing. We know what the agreement is. It's 48-52: 48% provincial dollars and 52% federal dollars vis-à-vis policing. There is a request right now by Nishnawbe-Aski policing to increase capital—and we're not just talking operational budgets at this time but capital budgets—to bring the facilities within NAN communities up to standard. Can you give me a sense of where that's at and what you're prepared to do in order to assist in these estimates to find that money?

Hon. Michael Bryant: Obviously, anything that a provincial territorial organization submits to the government is taken seriously. Typically—and this would be the example of the single portal—we then work with the particular provincial ministry, and I know that while it's not within our budget, the Minister of Community Safety has said that there are ongoing discussions with the federal government about this. I've also spoken to Grand Chief Beaudy about it, and I've obviously reviewed the report as well. The appropriate ministries to engage in the discussions are the Ministry of Community Safety and the federal equivalent, the Solicitor General, and those are ongoing. I don't have any update beyond that.

Mr. Gilles Bisson: But the problem we get into is, who's going to blink first, right? It's always the issue between First Nations communities and how they relate to the provincial and federal governments. In some cases you have issues that are solely under the control of the federal government; in other cases, like policing, they're joint; in other cases, we do them entirely. So where you'd have these particular joint agreements, such as in policing—I guess my question to you is: The current government under Mr. Bartolucci has taken the position that when the feds are ready to put in their money, ours is there; are you prepared to work with us to, say, have the province put the money forward this year in our overall expenditures in order to meet the capital requirements of NAPS and force the federal government to do the same, rather than waiting for them? Are you willing to be the ally on that side?

Hon. Michael Bryant: Yes. Certainly, on the accountability front, the government is the government provincially. I can't speak for the federal government, obviously. Will I do everything I can to force increases from the federal government? Yes.

Mr. Gilles Bisson: No. That's not my question. We put up our dollars and say to the feds, "You do the same." Are you prepared to take that position?

Hon. Michael Bryant: I guess I'd have to consider it and speak with Minister Bartolucci about it, but I'll just say this as I slide away from your question. Here's one of my concerns, to be quite honest: The Kelowna accord would have seen the federal government provide federal dollars. The provincial government would have had more of a role, if not an exclusive role, in delivering the services. What I'm seeing to some extent is—and we saw this with FNTI—that it's almost as if the federal government has decided, "Yes, sure. We're going to download those programs to the provincial government but we're just not going to pay for them." You can see the public policy problem with in fact allowing the federal government to vacate their territory.

1730

I agree with you that the strategic approach is of no interest to First Nations. They just want the improvements; I understand that. At the same time, the provincial budget is what it is, and where the federal government needs to provide those funds, they need to provide the funds. There are circumstances where the province, again

rightly or wrongly, does in fact—and we did this with FNTI—engage in an intervention. It's not about politically letting people off the hook. It's about making sure that in the medium and long term, services are provided, because if the funding that is currently federal is in fact devolved to the provincial government, then it just means that everybody suffers. So that's part of the reason I responded to you in the way I did.

Mr. Gilles Bisson: But part of the problem, and I said this in my opening statement, is that the federal government is delinquent, pure and simple, when it comes to their responsibility to First Nations. They do minimally what they are charged to do by way of our Constitution and by way of treaty, and the rest of it is left up to First Nations to do the best they can. My view is that if we wait on the feds to take their responsibilities, we'll probably be waiting another 100 years. At one point, the province has to make a decision: Are First Nations people citizens of the province of Ontario? I think you agree with me that they are.

Hon. Michael Bryant: Yes.

Mr. Gilles Bisson: If that's the case, then we have a responsibility. That's why I'm impatient. I look at the youth in our communities, and the youth are not going to have the kind of patience that our generation or the generation before had. If we want to stem this before it becomes a big problem as far as what could come out of it, I think we need to be seen as trying to move the yardsticks forward on a number of these. That's why I'm saying that in the case of NAPS there is an agreement. It's 48-52. All we would be saying is that we're prepared to do our part; feds, do yours. Then we go fight with the feds after and figure out how the hell we're going to get the rest of it. We would have to pay the 48% anyways if the feds paid it up, but at least the \$12.5 million would go towards part of the solution, and we can hold our heads up high and say to First Nations, "The feds may be absentee landlords, but we're not."

The Chair (Mr. Tim Hudak): Thank you, Monsieur Bisson. I appreciate that. I don't think you were expecting an answer; those were—

Mr. Gilles Bisson: No.

The Chair (Mr. Tim Hudak):—personal comments. Thank you very much.

The government members have 20 minutes.

Mr. Lou Rinaldi: Thank you, Chair. Minister, just as an opening, I think we are making some headway, although I would agree that we still have some huge challenges in front of us. I know that just last night, as I mentioned before, I had the opportunity to speak with Chief Jim Bob Marsden from Alderville First Nation, and we talked a little bit about this week. What's really, really interesting—and I think there's a real sense of wanting to accomplish something. I just thought I'd relay this as sort of an opening statement: On Tuesday in the local Cobourg Star, there was a fair-sized ad, probably a quarter of a page or better, that the First Nations of Alderville had in the paper inviting other folks to come and celebrate with them their Day of Action—they were

having a barbecue at noon; they were having coffee and doughnuts in the morning—and just to share with them. So I think there is some real sense of wanting to move forward. I can only speak for this First Nations community that's in my riding and that's had an excellent working relationship. It's unfortunate that I'm tied down here tomorrow and I cannot take part. I feel kind of bad, because I really think it would be good for us to be there, but I did commit that on July 26 and 27, at their annual powwow, now that I got the taste last night, I'm going to be there to celebrate with them.

Having said that, I wonder what you see as some of the more important issues of First Nations, the Inuit, and Metis people of today, and what you feel is the best approach in helping to resolve these outstanding issues, because I really see, I guess, the light at the end of the tunnel. That's just me saying that from a layman's perspective. But in the just six or seven months that you've been engaged as minister, what do you see?

Hon. Michael Bryant: I believe that it's all about the economic self-determination. I do. I know I emphasize this and have repeated it a number of times, but it bears emphasis. Why? Because in the past, the approach has been, "Oh, my. What do we do? How do we resolve this? Is it all about this? Is it all about that?" Instead what it is, in my view, is that if you approach the economic challenge, then everything will follow. Okay, but that's to improve equality. That's to improve social conditions. In some ways it's simple and in some ways it's complicated, but the long-term resolution is just simply self-government. These funding questions come up again and again, quite rightly: "Is it federal? Is it provincial? Who should pay for what?" That doesn't happen when you have self-government amongst First Nations.

So in a nutshell, I would say self-government should be the goal. We're talking federal-provincial, where there's a role to play for the province, and there will be. The province needs to play that role. The federal government needs to take the lead.

The Chair (Mr. Tim Hudak): The minister, the deputy and the CAO have been here for 90 minutes straight. Why don't we recess for five minutes? We're 10 minutes ahead of schedule anyway. So recess for five minutes?

Hon. Michael Bryant: I promise to be back in four, Chair. I won't dally.

The Chair (Mr. Tim Hudak): Okay. We'll recess for five minutes.

The committee recessed from 1738 to 1742.

The Chair (Mr. Tim Hudak): Folks, we are back in session. When we recessed, Mr. Rinaldi had the floor.

Mr. Lou Rinaldi: Thank you, Chair. A well-deserved break, I must say.

Minister, just to carry on, changing not the subject but the scope a little bit—

Mr. Gilles Bisson: You guys could decide not to do your time, could you not?

Mr. Lou Rinaldi: I think we want it. I think we want to make sure that the people of Ontario get their just time. That's what we're here for.

Interjection.

Mr. Lou Rinaldi: Well, we all have things, but this is a good thing to do.

The Chair (Mr. Tim Hudak): Mr. Rinaldi has the floor.

Interjection.

Mr. Lou Rinaldi: Well, the minister has agreed to be here. Anyway, let's carry on.

Minister, to get back to estimates, now that we have the agreement on how to deal with Ipperwash Provincial Park, as a sort of co-management, can you give us some sense if that could be a model as we move down the road with other land claims in the province? I respect the statement you made earlier on, that there is no cookie-cutter approach to First Nation issues, but what is your sense?

Hon. Michael Bryant: Well, I hope so, and where it's appropriate and it makes sense, yes. In that particular instance, you had a First Nations community and a non-aboriginal community where there were significant tensions over a number of years. So this wasn't a matter of the claim taking place in a remote region where there was a non-aboriginal population that was unaffected—not at all. So besides the priority, which was addressing the historic grievance and the claim itself, this was seen by Chief Bressette and Sam George as an opportunity to bring the communities together. Where you have tension between communities, that's certainly, I hope, a possibility and a potential model for other communities, but you have to have two willing partners. In some circumstances, it might not be feasible, by which I don't mean dollar-wise. So it's my hope that maybe Chief Bressette's model is one that's copied down the line, and certainly the government is very open to that.

Mr. Lou Rinaldi: While we're talking about Ipperwash—that was the co-management of the park. But more in general, can you talk a little bit about the outcome of the Ipperwash priorities, the action committee meetings and so forth and how that's evolving?

Hon. Michael Bryant: Any meeting with the political Confederacy, the leadership of First Nations, any meeting with the Metis president and Metis leadership—we are going to discuss a host of issues. They don't necessarily fall four-square within the recommendations.

The discussions that we had in fact involved not just priorities and recommendations and the commission recommendations, but it was also an opportunity for the leadership, as a collective. I attend assemblies as much as I can on a regular basis, so I'll attend the annual assembly of a particular provincial territorial organization and have done so, whether it's the annual or the quarterly meeting, to have an opportunity to talk with chiefs from across the province.

With respect to the Confederacy, it's an opportunity to talk about whatever they want to talk about. The priorities, as you can imagine, are the priorities coming out of

the Ipperwash commission recommendations. A very significant portion of the recommendations involve changes or, really, legal affirmation of current practices with respect to policing. When we get to that, the Solicitor General will be particularly involved in those discussions. Again, the expertise lies within that ministry; and secondly, and maybe more importantly, because of the independence of the police. There are recommendations involving legislative changes, so inevitably that ministry will become particularly involved at that point.

Some of the other recommendations touch on other ministries. Where we require a minister or a parliamentary assistant or ministry officials to attend those meetings, we do that.

Certainly there was, in the last meeting, a resounding signal and agreement that participation of the federal government in their part of the Ipperwash recommendations was critical. Yes, it's a provincial public inquiry, but there are many, many examples of royal commissions, the federal public inquiries, having provincial recommendations that provinces have addressed. Regardless of whether it came out of a provincial public inquiry or not, who could say for a moment that the land claims process right now, for example, is working well?

That's why we need participation by the federal government in that and in a number of other recommendations. This wasn't a government submission or a government idea or a government argument; it was one being made by First Nations themselves. So, too, with respect to the meeting with the president of the Metis Nation of Ontario and their leadership—different issues, but specific recommendations within the commission about involving Metis people.

That's dealt with separately, acknowledging the enormous and significant differences between Metis people and First Nations people. I talked about the diversity within First Nations themselves. It was the framers of the Constitution who used the word "aboriginal," and the Constitution defines aboriginal as First Nations, Metis and Inuit people.

In the case of the Ipperwash commission report, it didn't make much sense to lump it all together, and, also because the vast majority of the recommendations involve recommendations involving First Nations, it was the request of both First Nations and Metis that they be done separately. The government was certainly more than willing to accommodate that.

Mr. Lou Rinaldi: Chair, my good friend, the member from Peterborough, has a question that he would like to ask at this time.

The Chair (Mr. Tim Hudak): Mr. Leal, you still have quite a bit of time. You've got about seven minutes left.

Mr. Lou Rinaldi: If we have time, then I have more questions, but I certainly want to turn it over to my good friend.

The Chair (Mr. Tim Hudak): Well, you two can work it out.

Mr. Jeff Leal: Thanks very much. One of the things that I'm particularly proud of that I share with my friend Mr. Rinaldi is the Kawartha Pine Ridge regional school board. In that school board, the daughter of Chief Knott, who's the chief from Curve Lake, Shelley Fife, has brought forward a really unique education program for non-aboriginal teachers, for the rest of them in that board. I've had the opportunity over the last little while to see Ms. Fife in action having the workshops with non-aboriginal teachers, particularly with the residential schools and the loss over four generations of parenthood within First Nations communities. That has been a tremendous success story and something I know through the Ministry of Aboriginal Affairs that we want to be at the forefront in terms of sharing that historical experience so that we understand, build trust and build relationships which are so important within the Ministry of Aboriginal Affairs and our First Nations people.

1750

Part of that, Minister, is the whole issue of the duty to consult, to bring First Nations communities to the table and have them a key part. As we move together, and you've talked about creating the middle class and economic opportunities, I wonder for, the sake of committee today, if you could just give us an update on the legal status of the leaders with regard to KI and the legal issues regarding Frontenac mining, and how the leaders of those communities—the legal situation they were facing and how that's evolved within the last little while.

Hon. Michael Bryant: The appeal was scheduled to be heard today, and it was heard today by a panel of three from the Ontario Court of Appeal. Chief Morris and council were released on Friday—what day was it?

Interjection.

Hon. Michael Bryant: The 23rd of May—pending appeal, and amongst other things required a concession and agreement by the respondent in the appeal, Platinex. They did that, and I think there's no question that was in the public interest and the right thing to do. The court, as I understand it, has handed down their decision from the bench with reasons to follow.

Chief Lovelace has been released and the appeal has been allowed. The appeal on KI was also allowed. The outstanding fines that were in the sentence were basically stayed, and the court released Chief Lovelace immediately. The crown's position before the court was in fact to appeal the decision, and so they were successful, although with respect to the KI appeal it should be said, to the credit of the respondent, Platinex, that they consented to the appeal. There was a real effort by Platinex to try and make up for their start, and that was certainly reflected in that decision quite significantly. Obviously that's absolutely what ought to have happened. I'm very pleased that that's what happened. Obviously the challenge continues and the chapter itself is not going to be easily lost.

National Chief Fontaine said to me and Grand Chief Toulouse and a number of others, and he's repeated this to many people and in public, that the effect of jailing

chief and council under circumstances like this not only is, in this case, wrong in the particular circumstances, but the effect that it has on everything else involving aboriginal affairs and aboriginal federal, provincial and non-aboriginal relations—the impact, I think, cannot be underestimated.

In a number of other projects that were in fact taking place with partnerships with aboriginal peoples, with First Nations in particular and other companies, there became a question as to whether or not, in a moment of solidarity, that ought to slow down or stop in some cases. As National Chief Fontaine said, regardless of the best approach, which he certainly agrees is negotiation and partnership, the impact of jailing chief and council in these circumstances was one that—I'm very pleased that part of it is over.

When I saw Chief Morris and Councillor McKay yesterday, whom I've spent a fair chunk of time with over the last six months—

Mr. Gilles Bisson: They spent more time with each other.

Hon. Michael Bryant: They definitely did; yes. What do you say to people whom you've been working with for the last six months who just got out of jail? He and Councillor McKay, quite rightly, want to move on with trying to work with the government. Chief Morris said, "Can we work government to government, KI to the government of Ontario?" Yes. That's something that we had already committed to.

Can we look at ways in which we can explore what happened and how this happened, and lessons learned, and have a panel, if you like, to address that? Absolutely. Again, that's something that I had responded to in the affirmative in January, when I first went up there, that we should do that.

Ought we to consider Mining Act reforms, resource benefit sharing reforms, land use planning and far north planning together, and consult with KI? Yes.

So I look forward to getting on with that.

Mr. Jeff Leal: I probably had no further questions, Minister, but I'm out of time.

The Chair (Mr. Tim Hudak): We will have to tune in next week, Mr. Leal, for the rest of your questions.

Folks, that does conclude our estimates session for today. We do have a total of two hours and 57 minutes left in the estimates for Aboriginal Affairs—two hours, 57 minutes—

Interjection: Give or take a minute.

The Chair (Mr. Tim Hudak): Give or take a minute, to check our math; roughly, just short of three hours left. This means that we will meet Tuesday morning from 9 a.m. until 10:45 a.m., and we will be required to go into the afternoon session—not the whole session, but an hour and some minutes into the afternoon session beginning at 4 o'clock on Tuesday.

Okay, folks, thank you very much. We are now adjourned.

The committee adjourned at 1757.

CONTENTS

Wednesday 28 May 2008

Ministry of Aboriginal Affairs	E-107
Hon. Michael Bryant, minister	
Ms. Lori Sterling, deputy minister	

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**Official Report
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(Hansard)**

Tuesday 3 June 2008

**Journal
des débats
(Hansard)**

Mardi 3 juin 2008



**Standing Committee on
Estimates**

Ministry of Aboriginal Affairs

**Comité permanent des
budgets des dépenses**

Ministère des Affaires autochtones

Chair: Tim Hudak
Clerk: Sylwia Przedziecki

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 3 June 2008

Mardi 3 juin 2008

The committee met at 0906 in room 151.

MINISTRY OF ABORIGINAL AFFAIRS

The Vice-Chair (Mr. Garfield Dunlop): Good morning, everyone. We'll call the meeting to order. I'll be the Chair temporarily, until Mr. Hudak arrives in a few moments.

We're here to resume the consideration of the estimates of the Ministry of Aboriginal Affairs. There's a total of two hours and 54 minutes remaining. When the committee adjourned, the government had completed its 20-minute rotation. It is now the turn of the official opposition. Mr. Miller, you and the official opposition have the next 20 minutes.

I'd like to welcome the minister and the members of the Ministry of Aboriginal Affairs here this morning.

Mr. Norm Miller: I guess I'll start on the estimates results-based plan briefing book, on page 25, where it's talking about transfer payments; just a little more information on the specifics of the transfer payments. I note that the participation fund goes from \$3,650,000 to \$7,160,000. Can you explain why there's such a big increase and what that's being used for?

Hon. Michael Bryant: Why don't I just give a policy answer and then I'll let the deputy speak perhaps to numbers. The long and the short of it is that as the government engages more with First Nations and Métis people, that actually puts an additional workload, if you like, on First Nations and Métis people.

For example, they do not get from, their dollars from the federal government, money set aside for consultation. For them, particularly in the northern communities, as the member will very well know, planes are taken instead of taxis, so the costs of running the northern table, for example, account for the increased participation fund. Do you want to add a little more, or have I—

Mr. Norm Miller: That's different than the relationship fund?

Hon. Michael Bryant: Yes, the relationship fund is not in the RBP, not in the results-based plan.

Mr. Norm Miller: That's the \$25 million over three years?

Hon. Michael Bryant: That's right. It is different from the participation money. Anything else you want to add?

Ms. Lori Sterling: In particular, one of the reasons why the participation fund increased this year was because it supported the implementation of the Linden report on the Ipperwash inquiry. It also funded, in part, increased relationship-building at the northern table. Those were the two main increases.

Mr. Norm Miller: How is the participation fund different from the support for community negotiations fund?

Hon. Michael Bryant: They're separate processes. The northern table in particular was mandated to provide feedback and to participate in discussions with the government on issues including Mining Act changes, resource benefit sharing and far north planning. The northern table, Mr. Miller, was a new initiative, if you like. The idea was established in 2005 and it got up and running in 2007. Is that right?

Ms. Lori Sterling: Yes, the northern table.

Hon. Michael Bryant: The northern table, yes, in 2007. So it had not existed before. And the support for community negotiations fund?

Ms. Lori Sterling: The support for community negotiations fund is specifically directed to situations where we have a land claim and we're in negotiations and we actually support First Nations to participate in the land claim or treaty right negotiations.

Mr. Norm Miller: Moving down the graph there to the Islington Grassy Narrows mercury disability fund, that is projected to increase fairly substantially, from \$271,000 to \$1.2 million for 2008-09. Is there an explanation as to why?

Hon. Michael Bryant: Sure. Firstly, the good news is that a resolution was entered into, an agreement was entered into. This is something that's been ongoing for a very long time. So the good news is that we are getting positive results out of that, and the costs—and I'll let the deputy keep me completely accurate here—just reflect the increased work that went into not only the government side but also to allow for participation on the Grassy Narrows side.

Mr. Norm Miller: What's the time frame of the agreement? When did it occur? I thought it was, like, 20 years ago.

Ms. Lori Sterling: Yes, that's right. In 1986, the government passed the English and Wabigoon River Systems Mercury Contamination Settlement Agreement Act, which was intended to provide for an independent trust fund to provide monies to persons from Grassy

Narrows and their descendants who were affected by the contamination. There was a board set up called the mercury disability board, and the purpose of that independent board was to distribute the money and monitor to ensure that the fund was solvent. This past year, the board determined—it's an independent board—that there would be additional monies required to keep the fund solvent. That's why you see that particular number.

Mr. Norm Miller: Were there problems with misuse of the money? If it was set up and it was supposed to be—

Ms. Lori Sterling: No, no. There is a fund administrator, an independent company. There was no allegation of any mismanagement of funds. It was simply a function of the number of claimants who were coming forward. They probably should have sought increased funding a little more regularly in previous years to cover off the claimants.

Mr. Norm Miller: So in years going forward, is it predicted to be back to the \$271,000 per year? Is this a one-time injection?

Mr. David Lynch: If I may—I'm David Lynch, CAO. Again, as the deputy says, it's dependent on the flow of claims and the like. In 1997, there was a \$6-million top-up by the government into the fund, and again now it's at the point where we need to top it up. The decision has been made at Treasury Board that we're going to do it on annual actuarial assumptions. We're going to go to annual increments rather than a large top-up and draw it down for 10 years or whatever that may be. So you will see that appear annually in our estimates in that sort of quantum.

The other thing which made the number a little larger this year was that the administrator made a small error in the number they asked for last year, which only brought us to about October 1, and we had to top it up. So that's why the year-to-year number looks a little larger than it might be.

Mr. Norm Miller: Okay; thanks. There was mention of some more money, I think it was from the support for community negotiations fund, for Ipperwash. How much money has been allocated for the implementation of the Ipperwash report?

Hon. Michael Bryant: Just so we're clear, these reflect the consultation participation dollars. They don't reflect the costs that would go into, for example, the new relationship fund or any of the additional recommendations. So this is on participation less than on budget. What's the timetable? What's the plan? What's the budget? Because of the nature of the report and the recommendations, it was to engage in very significant consultation, and the concern with government setting out the timeline—it would be the government setting the timetable instead of in collaboration with First Nations and Metis. Keep in mind, as well, the report comes out in the spring, so in other words, this is the first budget in which we had the commission recommendations. We aren't in a position right now to say, for example, "Treaty reforms

are going to cost X," and so on. That's something that needs to be the subject of discussions.

Mr. Norm Miller: Is there a budget for the cost of the conveyance of the provincial park? Do you have a budget for that at all?

Hon. Michael Bryant: The conveyance of the provincial park in and of itself is not going to involve a cash payment. It will involve consultation between the community and the First Nation, so there will be costs for that, which are reflected in this. But with respect to any additional costs, the question is, what will be done with it and who will pay for it? For example, one possibility is that it might be used as a business or an industrial park, in which case cleanup and potential relandscaping or whatever is to be done with the land, those may be costs borne by whoever is going to be doing business in that park. If, on the other hand, it becomes a park, then the question will be what the cost might be to put it in the position of being a park. We're not there right now at this time.

Mr. Norm Miller: Going down the chart, there's the support for Algonquin negotiation fund—\$655,000. What's the total amount of money that has been spent on the negotiations for the Algonquin land claim? That's one of the few that doesn't have a treaty. How many years has it been going on and how much money has been spent on this?

Hon. Michael Bryant: I don't know. We might not have that at our fingertips, but that's certainly something that we will get to you.

Mr. Norm Miller: Okay. Moving down the list: urban aboriginal strategy fund—that's at \$500,000 in 2008-09 that looks like it hasn't been spent in previous years.

Hon. Michael Bryant: Right. There was an urban aboriginal task force. Its recommendations were tabled. This is in part to address that, and also in part to acknowledge that the new Ministry of Aboriginal Affairs has a particular mandate with respect to urban aboriginal issues, whereas in the past almost exclusively all monies would have been spent by other ministries—say, the Ministry of Housing or the Ministry of Social Services, for example—with some assistance from the Ministry of Aboriginal Affairs, but primarily it would be done within those other ministries, so this reflects the fact that we need to have some policy capacity within the ministry. We need to have people who are able to participate and fulfill this important part of the mandate. The urban aboriginal population in Ontario, according to census data, is amounting to 78% of aboriginal peoples in Ontario. Obviously, it's a particularly important component of our goals over the next four years with respect to aboriginal people.

Mr. Norm Miller: So that money is for policy development, not necessarily running programs, particularly for development of policy for urban aboriginals. As you point out, basically half the aboriginal population lives off reserve. I know I've certainly read about complaints that they're forgotten about in many cases.

Ms. Lori Sterling: Can I just make two points in response? The first is, in fact, this money is not for internal ministry policy formation. It actually funded three pilot projects to help with urban aboriginal centres in Toronto, Ottawa and Thunder Bay.

Mr. Norm Miller: What were those pilot projects?

Ms. Lori Sterling: They were basically to provide assistance for organizations like the Federation of Indian Friendship Centres, those kinds of pilot projects.

In addition, the second point is that they are matched with federal funding. The way the federal urban aboriginal strategy is, it's a matching program, so the idea with this money was to try to also leverage federal funding.

0920

Mr. Norm Miller: I note that there's a separate item for friendship centres.

Ms. Lori Sterling: Yes, they get core funding.

Mr. Norm Miller: I actually sat in on the annual meeting of the Parry Sound Friendship Centre and went through their whole financial statement. They were, I have to say, struggling. They're in a fairly negative position in terms of their financial position.

Hon. Michael Bryant: We did provide a 10% increase in the core funding. I met yesterday with Sylvia Maracle and we discussed the issues, not just of core funding but also the energy that gets put into ensuring that all the various funding opportunities are exhausted across all levels of governments, because obviously we're not the sole responsibility for this. This is something that we want to try and assist on. Also, with respect to advising aboriginal peoples who come into urban centres, this really should be their first stop, the friendship centres.

Mr. Norm Miller: The Métis Nation of Ontario announced an agreement of framework just within the last month or so. The \$200,000 here, is that to do with that, or does it show up here?

Hon. Michael Bryant: It will be included. Discussions around the framework agreement are included in the core funding. In addition, this amount does assist their office in Ottawa, which I had the pleasure of visiting. I can assure the committee that they're using every square inch they've got in those offices. So this is to participate in a wide variety of discussions, in addition to the framework agreement.

Was there a separate line item for the framework agreement or was that in the core funding? It's within the participation fund.

Ms. Lori Sterling: Yes, they got core funding, plus they got participation fund monies for the framework, exactly.

Mr. Norm Miller: So it comes out of that \$7.1 million?

Hon. Michael Bryant: That's right. There were specific funds allocated for that.

Mr. Norm Miller: I think my time is running down, so I'll maybe get a couple of questions on the record. The chair has said to put oral questions on, even if they aren't answered—

The Chair (Mr. Tim Hudak): These are questions to the ministry that they can respond to later on.

Mr. Norm Miller: Only if they're not able to, which they probably aren't able to.

Switching to the First Nations gaming revenue-sharing agreement, quite a substantial agreement was signed within the last year. Can you provide a copy of that agreement to the opposition?

Hon. Michael Bryant: I don't think I have it right here, but we're back this afternoon, are we not?

The Chair (Mr. Tim Hudak): Yes.

Hon. Michael Bryant: Okay.

Mr. Norm Miller: With that agreement, the first, I think, \$200 million flowed this year?

Hon. Michael Bryant: That's right.

Mr. Norm Miller: To whom is that money directed and disbursed among aboriginal partners, and what sort of accountability arrangements do you have to do with this quite substantial amount of money?

Hon. Michael Bryant: A good part of what you're asking about in terms of how it's distributed really lies with the First Nations—

Ms. Lori Sterling: Mainly the OFNLP, the Ontario First Nations Limited Partnership.

Hon. Michael Bryant: Right, which is the First Nations—I say company—partnership that distributes it. As I said before, there were purposes set out in the agreement as to how the money is spent. The formula by which it's allocated, again, I don't have it in front of me, but certainly if we have it in a way that we can get it to you this afternoon, we'll do that.

I don't want the committee to think for a second that there's a lot of specificity on the government side. Why? Because there is significant accountability on the First Nations side that they have established to their membership, if you like. One of the lessons of the past is that where a government sets up a process intended for accountability which ends up being paternalistic and actually interfering with the ability of First Nations to really exercise their self-determination and self-accountability, it tends not to work. I said before, the—

Mr. Norm Miller: So does the province have any input into the priorities that the money might be spent on or not?

Hon. Michael Bryant: It's in the agreement. It's those purposes I think I referred to last week: health, education, housing—

Mr. Norm Miller: Infrastructure.

Hon. Michael Bryant: Yes, community, all those broad socio-economic purposes that you would expect.

Mr. Norm Miller: I'm sure the member for Simcoe North is likely to have some more questions about that this afternoon, as Rama is in his riding.

Switching specifically to education, what amount does the province currently spend on aboriginal education?

Hon. Michael Bryant: Again, that would be through the Ministry of Education.

Ms. Lori Sterling: We wouldn't have that specific number.

The Chair (Mr. Tim Hudak): Last question.

Mr. Norm Miller: You're probably going to tell me this is in training, colleges and universities, then, the funding allocated for apprenticeship training.

Hon. Michael Bryant: Yes. Again, I'll make inquiries. I can't undertake to provide it in the afternoon, nor can I undertake to provide it in the context of estimates, but I will make inquiries. If I can provide those numbers, I will.

My recollection is that there is reference to it in the budget itself. That's my recollection, that it's in the budget itself; not necessarily in here, but in the budget speech there was reference to it. So I'll certainly try and get back to the member today.

The Chair (Mr. Tim Hudak): Thank you, Mr. Miller. That does conclude our time for that round. For 20 minutes, Mr. Bisson.

Mr. Gilles Bisson: Thank you, Chair. Just to follow up on what was requested by the official opposition, can we get a list not only of what the format is for the sharing of the revenue from gaming but also a list of who got what? There must be a list somewhere.

Ms. Lori Sterling: We can't get that.

Mr. Michael Bryant: What reason?

Hon. Michael Bryant: It's with the partnership. The exact breakdown, like how much did KI get, how much did Six Nations get and so on, those specific numbers are with the partnership. But again, I'll make the inquiries.

Mr. Gilles Bisson: But I think the deputy is saying that information is not available.

Hon. Michael Bryant: No.

Ms. Lori Sterling: Well, the way the gaming agreement works is that—

Mr. Gilles Bisson: No, I understand how it works, but do we get the list back? Do we get a list back of what was distributed?

Hon. Michael Bryant: I'll find out.

Mr. Gilles Bisson: Because specifically, I'll tell you what it is. Some of the communities that I represent have a bit of an argument about how it's calculated. Some feel that they don't get their fair share. I realize that's not entirely in the provincial government's hands, that's part of the partnership agreement. I understand all that. But just so that I get a better sense, I'm wondering if we can get a copy of how the calculation is made per community, and number two, if there is a list to show how much is distributed every year to each of the communities that participate. If that's at all possible, I wouldn't mind getting that.

Hon. Michael Bryant: Okay, I'll make inquiries.

Mr. Gilles Bisson: Okay. I want to move on to education. On reserve, for example in Moose Factory, there is a First Nations school that's federally funded, but there's also a provincial school that I assume is funded provincially. It's part of an isolate school board. Is there some sort of funding agreement on the provincial side when the province actually establishes a school on provincial land adjacent to a reserve and First Nations kids attend, not as their primary school but as the school they go to? Is there

a funding agreement about how the feds pay back the province? I wonder if you have any information on that.

Hon. Michael Bryant: I don't. It would be with the Minister of Education, but I will certainly endeavour to get it back to you this afternoon.

Mr. Gilles Bisson: Yes, because there are a number of examples—for example Constance Lake on Highway 11, where we've just now, a couple of years ago, opened up a school on reserve. But up until that point, the kids were bused into the community of Hearst and they went to school in the public system.

What I'm interested in knowing is how the province recuperated the dollars for the education of the First Nations kids from those reserves. Where I'm leading with all of this is that there's a crisis in education, as you well know, in most of our communities. Martin Falls has been without a school now for—how long?—four months, maybe five months, because of problems with the infrastructure. At Fort Severn they've closed the school because of mould. We all know the story of Attawapiskat. Basically it's contaminated. The kids have been living in portables now for a generation.

0930

What's clear is that the federal government is uninterested in education. This is no fault of your own; it's the federal government's fault. What I'm trying to figure out is what role the province could play vis-à-vis trying to find solutions to these problems.

I just want to say up front that I don't argue for one second that the federal government should get off the hook. They have a fiduciary responsibility. I understand that and I don't look at that as the answer. But my question to you is, to what degree is the province interested in actually starting to do some proactive things vis-à-vis education, specifically in Attawapiskat? If the feds after three promises of building a school aren't prepared to build one, where is the province vis-à-vis trying to do something to make sure these kids are able to go to school?

Hon. Michael Bryant: The province—the Ministry of Education and our ministry—is very open to finding some alternatives. The current situation is completely unacceptable, as you've said. The one that was set out in the Kelowna accord, broadly speaking, involved provincial implementation, provincial operation, but commensurate federal dollars.

As you know, there's a significant gap of more than a third between provincial funding and federal funding per pupil. So without question, not only would the federal government have to make up that gap if the province was going to do that but also pay for the additional set-up. Obviously we want to keep costs down, but at the same time we don't want to be taking dollars out of the existing education system as it is.

So we're very open to it. It's something that I anticipate having discussions with the federal minister about. We've had very, very preliminary discussions about it. We're open to it, but I'm also mindful of—I know myself the legal aid experience where, when discussions went

under way, it was 50-50 and now it's not. It's more like 80% provincial. But that said, that is one way in which we could participate.

Another way would be to try and take at the very least the expertise we have out there with the Ministry of Education and the school boards in terms of providing a basic structure and a basic curriculum. As you know, there is no standard curriculum across the board. Some of those books that are on the curriculum—it's embarrassing because they're history books with history belonging to another era.

Mr. Gilles Bisson: It's a mild way of putting it.

Hon. Michael Bryant: Yes, I know. I'm sorry I—

Mr. Gilles Bisson: You're being politically correct.

I just say that the frustrating part for the kids and the parents in most of our communities is that you look at the degree to which the kids are not keeping up vis-à-vis education by the time they get to grade 12. The percentage of kids who actually graduate: If you go to a graduating class on many reserves, you'll be lucky if two or three or kids graduate out of grade 12.

In the community of Attawapiskat, which is sad, because of the current situation with the school—I'm not sure of the exact numbers; I've heard different numbers—anywhere from 40% to 50% of the kids at the primary level are dropping out. We're talking primary school. What do you do when these kids should be in grade 9, 10 or 11 and they've not completed grade 6, 7 or 8 or whatever it is? Clearly, in the discussions I've had with kids and parents and the LEAs—local education authorities—the fundamental problem is that the federal government is just not set up to deliver education, point final.

There is discussion, as I said earlier, where a lot of the leadership is now talking about, "We should be taking over education," from the First Nation perspective, into their own boards. But to do so, it seems to make sense that it would have to be under provincial jurisdiction, as far as us not telling them what to do, but that basically they'd be part of the provincial school system.

In the case of Attawapiskat, we're struggling. I'm hearing you say that the province is interested in doing something, but I'm not sure in your answer that that something is clear in my mind or to the community. How far are you prepared to go?

Hon. Michael Bryant: Again, it depends on the extent to which the federal government is willing to fund. Let's put it this way: This government agreed to the Kelowna accord, which means, in turn, that the government is willing to be the education administrator/provider that it provides off reserve. But part of that accord was appropriate funding, so it's going to be commensurate with the federal funding available.

Again—I can't stress this enough, and I'm sure you agree with me—the long-term goal and hopefully medium-term goal in some cases is in fact neither the federal government administering or providing nor the provincial government. It's done by self-government and self-funding.

Mr. Gilles Bisson: I know it exists currently where we have on some reserves provincial schools on provincial land that's adjacent to the reserve. Obviously, we're paying for that.

Hon. Michael Bryant: Right.

Mr. Gilles Bisson: So why would it be impossible for a community that's in crisis to say, "Well, listen, we'll switch gears, and we want to build a provincial school." What prevents them from doing that? They're Ontario citizens, and we signed Treaty 9.

Hon. Michael Bryant: If it's on reserve—

Mr. Gilles Bisson: No, off reserve. There are provincial lands adjacent to all reserves.

Hon. Michael Bryant: Sure. That would certainly be a conversation between a school board, the First Nations school and the provincial government. The extent to which we try and, if you like, almost get around the terrible situation with on-reserve schooling by entering into a relatively artificial band-aid approach by sneaking the school over the boundary is not a longer-term solution.

That again ends up meaning that the province, without the funding from the federal government, is left dipping into existing education funds in order to finance this. We're going to need the federal government to agree to do this. There hasn't been a rejection of the idea by the federal government, but the flip side of it is that they did cancel the Kelowna accord, and that was wrong. To date they haven't expressed any willingness to provide the level of funding that the province is providing for people.

Mr. Gilles Bisson: Just two last points on this, and we'll move on to something else: Earlier I asked what mechanisms we have in order to recoup the dollars spent to educate First Nations kids in provincial schools, because I know that currently happens. If we can get an answer to that, that would make a little bit more sense in my mind.

Hon. Michael Bryant: Yes.

Mr. Gilles Bisson: The other thing is that Treaty 9 was signed by the province of Ontario, and within Treaty 9 we talk about providing education. I understand and I agree and support that the federal government can't get off the hook; they have a fiduciary responsibility. But the issue to me is that these kids are also provincial citizens, and if they were to live anywhere else, we wouldn't think twice. If 500 kids moved from Attawapiskat to Timmins, and we didn't have the space, we'd build a provincial school, point final.

Hon. Michael Bryant: Yes.

Mr. Gilles Bisson: So in the end, if we wait for the federal government—we've languished for 100 years; are we going to languish for another 100 years? They're absentee landlords, and at one point I think the province has to decide if it's in the best interests of Ontario, its economy and its people to make sure that these kids get a proper education. The answer, I think, is yes. If you have any comments, and then I'll move on to something else.

Hon. Michael Bryant: Look, I don't disagree. Again, I won't repeat what I said about budgets. We get ques-

tions in the Legislature fairly regularly about how money is spent within the existing provincial system. We've talked about demographic issues, particularly in urban and rural areas. The aboriginal population happens to be the fastest-growing population in the country. That's relative. We're talking about, I think, 2% of the population of Ontario, or thereabouts.

Yes. Firstly, I completely agree that they are citizens; they're our brothers, sisters and neighbours in Ontario. That's why I'm not saying, "Look, not my problem. It's on reserve, constitutionally not my business. I'm staying out." If that was the provincial approach, there wouldn't be much to do, as you know.

Absent the federal government actually entering into an agreement, which I don't think we should rule out, we have to look at alternatives. Those alternatives also include discussions, inevitably, with the school boards and what they're willing to do to assist. In some cases I've had retired teachers and principals come forward to me and say, "Why don't we put together a group of people and maybe go into each school that wants it and provide some assistance?" These are not entirely adequate alternatives, but better than the status quo.

I've talked about what ideally we have, and we have to look at different alternatives, but I'd be very interested in working with the member on pursuing those, because I completely agree.

Mr. Gilles Bisson: Just an anecdotal story, and it's a success story—I don't need a comment on this; I just want to tell the story because it's a good one. In the case of Fort Albany, where the old St. Anne's school was, it was the same kind of situation as Attawapiskat, and in some ways probably worse because there was a lot of hurt within that building. The parents who had to send their kids to the school were the same parents who had suffered the humiliation of residential school and everything that brought. I remember when I first started going up to Albany and into St. Anne's school, the parents would hardly ever come to the school to pick up their kids or participate because there was just no way they wanted to set foot in that building, yet they had to send their kids there. The success story is that we worked at the time to get Peetabeck Academy funded. So we built a brand new school called Peetabeck Academy. The interesting thing now is that the dropout rate at primary and secondary is probably the lowest on the James Bay.

0940

I was talking to the crown—you would have some feel for that as a former Attorney General—and the court docket at Fort Albany, when it comes to kids being involved in mischief that leads to charges, is lower than it is in any other community. One of the reasons, I think, is because now the kids are engaged and are part of an education system that they find some value in. I think there's something to be said about investing in education because it's not just about the kids getting the education, it's about the whole community.

An interesting little story: I'm flying my plane up to Albany on the day of the opening of Peetabeck Academy

and I'm about 20 or 25 kilometres away at about 3,500 feet and I see these flames burning in the community. I think, "Oh, my God, what's going on?" As I get closer, I realize it's the old St. Anne's school. The story is that somebody decided that they were going to burn that sucker down after all these years and all the hurt that went on. Who it is, I don't know; that's not part of the story. But the interesting part was, out of the fire and the ashes of that school, the feeling was, "We've finally put an end to that part of our history; we've moved on." You can really see the community has moved on with that issue.

Anyway, further on education and training—apprenticeship training, basic skills training to get people into the workforce—what specific programs do you know are available through the province to assist communities to provide this type of training to their members?

Hon. Michael Bryant: I think this is also going to be one of those questions where the answer lies within another ministry but I'll certainly make inquiries and try to provide you with it. Is there a specific focus on this within the provincial government? Yes.

Interjection.

Mr. Gilles Bisson: Geez, time flies when you're having fun.

The Chair (Mr. Tim Hudak): It's a good story, though.

Mr. Gilles Bisson: Thank you.

Hon. Michael Bryant: "Yes" is the answer. In addition to that, I've had conversations with Buzz Hargrove and Hugo Powell, for example, in terms of a desire within the labour unions to participate in apprenticeships, in providing volunteer services in order to assist in providing that training. As you know very well, there is already a fairly strong tradition in a number of First Nations of craftsmanship and trades being an important part of the community and skills being learned, but the specific apprenticeship programs are obviously very critical for those for whom academic study in school is part of the reason they're dropping out. This is a very important alternative that we can provide off reserve as opposed to on reserve, but the work being done with Mr. Powell and Mr. Hargrove could very well involve on-reserve as well.

Mr. Gilles Bisson: Just specifically to the Victor diamond project, I was part of the IBA process that eventually led to the impact benefit agreement that was signed with Attawapiskat. One of the things that we were not as successful in getting—we were actually trying to get the previous Conservative government to buy into it, to put forward some dollars necessary to do training on the James Bay coast, on reserve, in order to prepare people for the jobs that eventually would be created at the Victor diamond mine.

I give De Beers full credit. De Beers has done a pretty God-darn good job of trying to find ways of making sure that employment and training is available to First Nations people to be employed at the Victor diamond mine. But our experience up till now is that it's mostly the truck

drivers, the service support kind of jobs that are really being filled. The trades—electricians, mechanics, process operators, engineers, all of that stuff—by and large are not filled by First Nations people, and not because they don't want to, but they don't have the trade ticket to go along with getting the job.

One of the things that we really need to be serious about, especially in the case where you find a diamond mine, as we did in Attawapiskat, is that you have to have programs provincially that pre-certify people to get into apprenticeship training. That's for those who are out of high school. But then at the primary and secondary levels, I think we need to also have programs that go into schools and talk to kids about potential employment at the end of the day. That may be enough to hold somebody's attention till grade 12, knowing that one day I can make a good living as an electrician or engineer, whatever it might be.

The other thing is, just on that issue, certainly not in the forestry sector because there is no demand for employment there, but in the mining sector there certainly is—I was talking to Placer Dome, who are now called Goldcorp., the other day. It's just like everybody's robbing Peter to pay Paul in order to get apprentices. They're stealing tradespeople from each other at a ferocious rate. It's great for the tradespeople, they're making pretty good bucks at it, because one offers more than the previous employer; the point being, there is a pool of people who are prepared to be employed. We need to be serious as a province, saying it's the choice of the individual if they want to move off reserve and get a job in Timmins, Pickle Lake, Red Lake or wherever it might be, but we need to have programs that look at how we involve First Nations people in the employment of northern Ontario. At this particular point in time, it's mining and water development.

So if you can let me know what programs you have that would fit that, and we can get into further discussion along that line.

The Chair (Mr. Tim Hudak): That does complete our time. Minister, did you want to give a brief reply to that, or is that actually coming back to him later on—

Hon. Michael Bryant: Affirmative. I agree with him and I will get back to him—if I can't within the context of estimates, in any event—to talk about the programs in another ministry that exist for apprenticeship training for First Nations and Metis people.

The Chair (Mr. Tim Hudak): Terrific. Minister, thank you very much. Mr. Bisson, thank you. We go to the government members for 20 minutes, beginning with Mr. Rinaldi.

Mr. Lou Rinaldi: Minister, I just wanted to go back a little bit on the Ipperwash incident and how we move forward from that. In the context of knowing the current climate for the last two or three years in Caledonia and also maybe closer to where I come from, although not in my riding, with the issues around the Mohawks of the Bay of Quinte with outstanding land claims and so forth—which have been certainly an issue that's created,

to say the least, some challenges in those communities and neighbouring communities, actually. We were very fortunate last week during the National Day of Action. I'm hopeful that our native friends and neighbours do understand that we're trying to work with them, so things were generally quieter than they were a year ago on that day.

I had the opportunity, as I think I mentioned last week, to chat with the folks of Alderville. In general, they're supportive of what we're doing, but obviously it's not quick enough. I know that in many cases where we need our federal counterparts to come to the table—for example, we've talked about the Mohawks of the Bay of Quinte. I think the federal government probably has more at stake in that particular community than we do, although we need to be there; I don't want to diminish that fact. So in light of all that, can you tell us what sort of lesson we learned from Ipperwash? And it should not be confined to these two particular communities because I know there are other communities across the province where maybe the temperature's not quite that high, but it could be at any time. Can you give some sense of the lessons we learned and how that's going to help us deal with these other communities that are certainly on the radar screen?

Hon. Michael Bryant: I guess the primary lesson of the Ipperwash commission is a prescription to negotiate in good faith, to resolve differences at a negotiating table, but to provide a forum to do so. Often, where a claim is either stuck in litigation or not proceeding at a pace that would make sense to most people, either the frustration or the protest at that failure on behalf of governments—and I'm speaking generally here—is to try and let the governments of the day become aware of the unacceptable situation.

0950

You can't generalize, as we've said before. Chief Maracle has said for his First Nation, "We don't support protests and blockades. We want to negotiate agreement. We're not interested in that." One of the reasons, he said, is because, "We're neighbours and friends with our communities, and in fact blockading those streets and disrupting their lives is not something we're interested in doing. We want to get a deal."

That said, there are individuals within First Nations who dissent from that approach. The question then becomes one of, you might say, democratic accountability within that First Nation. Sometimes, just as we have protests on the Queen's Park lawns—and I'm not referring to the actions of last week, because in fact last week was, I think, an overall extremely positive experience for all concerned. I thought that everybody who went out and walked onto the Queen's Park lawn and spoke with people, amongst other things, saw a very positive and in many cases hopeful experience. But I'm speaking generally of some of the protests that take place. It's not necessarily representative of that particular group. Similarly, a protest that is taking place, a blockade that is taking place anywhere in the province involving

First Nations people, is not necessarily the official opposition of that particular First Nation.

How is that addressed? It's addressed by sitting down with people and talking with them. You have to have a relationship, and a positive relationship, to do that. Where the relationships get poisoned, either between a private sector company and a First Nation or between a government and a First Nation, then you have to rebuild that relationship. You have to build a certain level of trust, and that may involve activities outside of the claim. For example, if there are needs that in some way can be addressed by a First Nation through infrastructure, education, energy or health, and it's in the public interest to make that expenditure, it's also to the assistance of the broader, non-aboriginal community. Then the province can do that in order to warm the relations, if you like, between the First Nation and the government in particular. It makes for a more positive negotiating atmosphere, a more trustful negotiating atmosphere, and you're able to come to an agreement.

A gaming agreement, for example, at the end involved about eight days of discussions with an ad hoc negotiating committee struck by the Chiefs of Ontario involving grand chiefs, chiefs and an elder—I want to say six people—representing different geographic regions in the province, and the government, represented by myself. I had a relationship with some of these chiefs already, pre-existing my time as Minister of Aboriginal Affairs and, I guess, the time that we've all been here as MPPs. Then, over the course of the week, I saw and they saw the level of trust increase, to the point where we could get to an agreement. There were some nights and days where I didn't think we were going to get an agreement, and it was going to go off to court. Honestly, Mr. Rinaldi, I have no idea how long that would have taken. I can tell you this much, that it would have cost so much money to litigate and it would have taken so long and it would have been so divisive, and it would be the subject, amongst other things, of enormous diversion from focusing on all the goals that we all want to enter into with respect to economic development and self-determination of First Nations and Metis people.

Just as the jailing of chiefs and council ended up diverting so much of government, First Nations and Metis efforts on a whole host of fronts, so too would that have diverted—and it would have been all about gaming, and Rama, and what happened and who said what in the early 1990s and so on, instead of sitting down and coming to an agreement. And that's what we did.

No question, it creates frustration in communities when there are blockades, from their perspective, when there are disruptions to their lives, from their perspective. It tests the relationships that exist in those communities and it also creates the dilemma whereby you want to make progress but it's almost impossible to make progress while this disruption is taking place. You have to try to remove the disruption and then continue on with discussions. Certainly, there is no magic solution to this, but there is no way that you will remove the disruption

and there is no way that you will get an agreement without sitting down and trying to reach an agreement and, at the very least, talking about where you can find common cause. That is certainly one of the lessons of Ipperwash. Of course, in Ipperwash, that lesson applies all the way down the line to the level of the root cause of disagreement, being the claim, all the way down to the particular interactions between government and First Nation and, in the case of Ipperwash, commission recommendations around interactions between police and First Nations.

Mr. Lou Rinaldi: Minister, along the same lines, I totally support the negotiation of peace. I just want to relay for the record, maybe on a smaller scale, what transpired during my days going back to my former life as mayor of Brighton and reeve of Brighton township. Presqu'île Provincial Park was within my jurisdiction and we certainly had one of the nicest provincial parks in Ontario, I must say. Having said that, we had a deer population challenge and back a few years ago the folks from the Bay of Quinte Mohawks claimed that that was part of their land claim process. Although unbeknownst, and at that time—very fortunately, Chief Maracle has been there for a long time, has a lot of history, and is very supportive, as you mentioned, of the neighbouring communities—beyond his control, some folks particularly from that band took it upon themselves to do a little bit of deer population control, which created certain anxiety within the municipality of Brighton, knowing that on the east shore of Presqu'île Provincial Park there is a residential component of about 150 houses or cottages and, of course, those people have to travel though the park to get—so it really created a mess.

I had the opportunity to meet with Chief Maracle once the dust settled and, I tell you, he was very supportive of our negotiated settlement: "How can we do this together?" Just about the time that I got elected as MPP, about the same time frame of 2003, by sitting down with MNR, the community and the Bay of Quinte Mohawks, we reached an agreement where they have the exclusive right to do a controlled cull, not at will. The first year they sort of just went in and did what they thought was best. As I said, it really created a lot of anxiety within the community. There were deer killed on the road, not very far from the residences. So there was an agreement with the Bay of Quinte Mohawks and MNR and the local community that at a certain time of the year—so people knew ahead of time, knew the challenges. They got the deer to a comfortable level. The control was called off for about a year or so until it's reviewed. So they negotiated. I know, being mayor of that community, it created some challenges but at the end of the day people understood. They knew what one was doing versus the other party. The MNR was quite involved. They knew what their goals were, and they handled all the records. Having said that, I think the negotiation of peace that we are undertaking is the right way to do it.

I guess one of the other pieces we need to do a better job at, and I'm talking about all levels of government and

the native population, is to better message what we are really accomplishing. On the surface, it doesn't look like we're really making any strides. Obviously, I hear from folks in my community—whether it's Caledonia or the Bay of Quinte Mohawks—whenever there is a disruption: "Take some drastic measures." I know that I spend a lot of my time trying to tell folks how much we've accomplished, and at the end of the day, when we go through that exercise of actually detailing step by step where we were and where we are today, I think the majority of the public understands that. I think sometimes we get too involved in the day-to-day issues of dealing with a particular issue and we kind of ignore everything else. So I certainly think we need to do a better job on the communication piece because, like any government, unless we have the community's support to achieve some of those goals, it's pretty hard for us to do, because obviously you don't want to go against the wishes of the people.

Chair, how much time do we have left?

1000

The Chair (Mr. Tim Hudak): You have five minutes left.

Mr. Lou Rinaldi: I know we don't have a lot of time, but I just wanted to talk a little bit about our new relationship fund. I know it has come up over and over again. It does a number of things. It shows the gesture that we put forward to be able to deal with the situation. On that piece, sometimes we get criticized by the other side. We can be criticized, but people need to understand that maybe we should deal with this in a different way. From my perspective—and maybe you could shed some more light on that piece—I think it goes hand in hand with some of the negotiated settlements. We're putting our money where our mouth is, and certainly the folks from the First Nations and the Metis understand that. I think that's probably a sign of what happened last week, which I think we're very, very thankful for. I wonder if you could take a couple of minutes, and maybe we'll finish off in the next round, to tell us what the fund really entails and what we're trying to accomplish with it, because once again, whenever we invest any kind of money, I think the general public wants to know what kind of results we expect.

Hon. Michael Bryant: With respect to the new relationship fund, it is intended to level the playing field in circumstances where there is limited trust between First Nations, Metis and government generally, with exceptions. By that, I mean that you can't expect to sit down with an appointed negotiator from a First Nation, as a government, surrounded by your lawyers, and expect that First Nation to say, "Okay, sure. Where do I sign?" Obviously, the historical experience in terms of entering into treaties and getting full disclosure and so on has been an experience that First Nations don't want to repeat. The level of legal expertise, business expertise and negotiating expertise that a First Nation is going to possess in-house is mixed. There are First Nations that have that expertise in-house, but most don't. So how do

they participate in these discussions to get to an agreement? Will they need, if you like, the negotiating infrastructure to do it?

Why do we do that? We do it to speed up the deals. We want to do some deals. We want to make agreements. We want to resolve the claims. We want to put historic grievances behind us. So that is there to accelerate that result.

Are we up, Chair?

The Chair (Mr. Tim Hudak): You have time for one more quick question, if you so choose.

Mr. Lou Rinaldi: Just to expand on what the minister has said, although it's frustrating with any kind of negotiated situation, I think the province, as a whole, is better off. The only challenge with the steps that we've embarked on is when we resolve all these problems. Your ministry will have less work to do, I presume. I'm sure you're looking forward to that day. I see some smirks here, so I'm not sure.

Anyway, I just want to end off for this round. I think it's encouraging. I can say that from the discussions I've had, even as late as last week, with Chief Jim Bob Marsden from Alderville, obviously we have a long way to go, not just with the chief, but also with some of the band members I attended a function with just last week. Things are somewhat more positive, I guess; more positive than they were two or three years ago. I try to meet with them on a regular basis because they're important to my community. They're a contributor and they also rely on the services that we provide provincially. So I treat them just like any other of my eight municipalities. They're a real part of our community. So they're encouraged and, like anything else, we need to do it quicker. That's just the normal way of doing things.

The Chair (Mr. Tim Hudak): Mr. Rinaldi, thank you very much. That concludes the time. We hit it right on the nose. We have time for two 20-minute segments—the official opposition and the third party—before we need to head to the chamber for the beginning of question period. So 20 minutes to the official opposition. Mr. Dunlop.

Mr. Garfield Dunlop: Thank you very much, Mr. Chair. Minister, welcome this morning. The one thing I want to put on the record right at the beginning is that I really agree with the stand-alone Ministry of Aboriginal Affairs. I never liked it being tied in with any other ministry, whether it was the Attorney General or natural resources. So I'm hoping that it does give it a sense of independence from other ministries.

I want to put a few little things on the record, mainly about the First Nations in my own riding and the aboriginal people. It's amazing when you live in central Ontario and you get to work with these unique communities. As you know, I've got the Chippewas of Rama, which is where Casino Rama is located, and it's under the leadership of Chief Sharon Stinson Henry. I also have, at the other end of the riding, the Beausoleil First Nation, which is the First Nation made up of Hope, Beckwith and Christian Islands. It was actually interesting to hear Mr. Rinaldi mention that he had the nicest

provincial park in Ontario. I don't think you've been to Awenda Provincial Park, which has Giants Tomb Island and four or five miles of Georgian Bay on its shoreline.

Mr. Lou Rinaldi: We'll compare notes.

Hon. Michael Bryant: The Chair will have to rule on this later, I think.

Mr. Garfield Dunlop: Yes, we'll question that. But most people would agree that Awenda is the best provincial park in Ontario.

We have Beausoleil First Nation, with Chief Rodney Monague, and then we have the Georgian Bay Metis Council, which is around 2,500 members of the Metis Nation of Ontario members in our riding. It's interesting to work with this community. We've got a few land claims and disputes with the casino etc., but it is interesting, as an MPP, if you're interested in getting out and meeting all your constituents, attending powwows, the gatherings and all these sorts of things. I just want to say that because it's a part of the job that I really enjoy. I didn't know at first, when I became an MPP, whether or not I would enjoy doing that.

My questions this morning are fairly simple. I was chairing part of the meeting when you first started the estimates, and one of the statements you made—I jotted it down—was that your role was to improve economic conditions for aboriginal people through jobs. I think that's on the right track.

We have, as you know, Casino Rama in our riding. Casino Rama is operated right now by the Penn National Gaming corporation. The payroll to Simcoe North residents, whether they be aboriginal or citizens throughout central Ontario, is around \$140 million a year now. I believe it's the most profitable commercial gaming casino in the country. The thing that I brag about the most is that Casino Rama is the largest employer of aboriginal people in our country, with 3,400 total employees working at the casino. It's my understanding that around 1,400 people are aboriginals at any given time, not only from the area but from Muskoka and south Simcoe and throughout the province of Ontario. I'm proud and very happy about that and I brag about that all the time. We should all brag about that because it is a large employer.

1010

Something is coming up in 2011 and that's the gaming licence; that's the time it has to be reissued. I know it's done through the Ontario Lottery and Gaming Corp., but I would hope, in your role as the minister, that you would be very supportive of this particular licence being reissued. I'm wondering if you can tell us what specific plans your ministry has in place to ensure that Casino Rama's gaming licence is extended past 2011. I'd like you to comment on that. I know you can't issue the licence, but if you were supportive of it, your quotes here today would mean a lot.

Hon. Michael Bryant: Yes, 2011, unfortunately, in our political world is a long way off, isn't it? I think, among other things, you're recommending that the issue of a licence, one way or the other, be addressed sooner rather than later to provide greater certainty, and I take

that point. I also appreciate the very positive words with respect to the successes, employment successes in particular, around Casino Rama. To be honest, the initial focus of myself and the ministry on gaming generally was the agreement and getting the agreement going that we entered into in January, February of this year. Also, to be fair, that's from the First Nations partnership's perspective, which is involved in implementing all gaming. I think its primary focus as well was that. I anticipate that at some point in the fall there will be some inquiries made on all sides: from the partnership's perspective, the government's perspective and Rama's perspective. That's when we'll start talking; when I say "we" I mean the government of Ontario.

I agree that dealing with and resolving this issue is an important one. I also appreciate that we're doing so in a context where all the gaming revenues now—all of them—will be shared with First Nations instead of from a single casino. So that really means we're dealing with that casino instead of dealing with the issue of gaming generally, which allows us to provide the local focus that it deserves. I don't want to get ahead of the government on this in my remarks and I don't want to get ahead of the minister responsible, but I take your point and I certainly look forward to, at some point very soon, sitting down with people to talk about their intentions and how we can address this issue of the expiration of the licence in 2011.

Mr. Garfield Dunlop: I appreciate your comments on that. We've sort of jumped the gun on it locally, and you can understand why.

Hon. Michael Bryant: Of course.

Mr. Garfield Dunlop: There are the issues of commerce and the casino. I can tell you that we have an organization called Lake Country in north Simcoe and the Mnjikaning First Nation, the Chippewas of Rama, are a very important part of that because it's all about economic development—tourism, jobs, you name it—in the area. We had a meeting last week and actually had representatives—Kelly McDougald came up from the OLG. I can tell you that her comments were very positive, and we want to build on that. On the other hand, if for some reason this licence was not reissued to Penn gaming Casino Rama, it would be devastating for this community; 3,400 jobs are 3,400 jobs. We just lost 700 jobs with the closing of the Huronia Regional Centre in Orillia. So this becomes—from my perspective, from the government's perspective and I hope from the perspective of all citizens of Ontario—a very high priority for one community. As we work towards 2011, obviously we'd like to see some kind of announcement next year or the year after that it will be reissued and we can carry on for the next 10 or 12 years and continue to build on what is the most successful commercial gaming casino in our country today. But we're not taking it for granted. We want to lobby. We want to work with the government. We want to work with OLG, and we want to work with all First Nations to share in what we consider to be a really good-news story in our country.

We're getting a lot of questions from the media regarding what our position is on this. What's the Ontario government's position? What's the position of Queen's Park on this? Could you possibly give me any kind of a quote I could use to give—not that you haven't made quotes before, in the past, but what should I tell the media about 2011 and about reissuing that gaming licence?

Hon. Michael Bryant: It's a very good question, and I understand that your community is looking for more information and you're looking for more information. I hope you appreciate that when I say that I don't want to get ahead of the government, it's not to suggest for a moment that in fact we have an intention or a goal that I'm not sharing with you. It's not that. It's that, quite simply, the government has not addressed this issue to date. Of course, any consideration of it that existed in the past was also in the context of ongoing litigation. There is litigation that is taking place as well, so I also need to be mindful of saying something that impacts that litigation.

Why don't I do this? This is not in the context of estimates, but whatever—you're asking as a local MPP, and you could ask me in question period too. I will certainly try and provide you with the update that you're looking for, and I'll undertake to put my mind to providing information to you that I'm able to, and maybe, just as importantly, as a local member of provincial Parliament, that you're provided regular updates on information so that your community can be aware of regular updates on information. Again, back to the first point that you made and the first point that I made, I understand that this uncertainty is always a challenge within the community. I just want to say that the mind of the government of Ontario is certainly very open to all the different alternatives. The government has not focused its mind on this in part because litigation was ongoing and in part because we are very focused on the gaming agreement.

I also need to consult with First Nations leadership broadly and, of course, the local First Nation as well. I haven't, for example, spoken with the chief about the chief's desired timetable, and should probably do that. I bet you can speak for the chief and say that you would like it resolved tomorrow.

I take your point. I'm not going to satisfy the request right now, but I do want to be able to provide the information as it becomes available. At the same time, I just can't get ahead of the government, because we haven't made any decisions yet.

Mr. Garfield Dunlop: I appreciate that too. Talking to First Nations leadership in the community and to their colleagues the residents of the Chippewas of Rama First Nation, I think they're looking, at this level of government, at the Queen's Park level, at me and at you to be two strong advocates to support the reissuing of this licence. Obviously, I'm there, and I know you can't get ahead of the government on it, but I'm going to tell you—I'm not sure if there's going to be a cabinet shuffle

or not, but over the next couple of years, if you are the Minister of Aboriginal Affairs, I'll be asking you or writing to you on a regular basis, because I want to make sure that we don't lose this. This has become a high priority for a community. I want to put that on the record now, and any support you can give it in the future, and particularly anything you can come out and say vocally that would support the reissuing of this gaming licence would be very supportive.

1020

The Chair (Mr. Tim Hudak): Mr. Barrett, there's probably about six minutes left in the official opposition's time.

Mr. Toby Barrett: This morning there was some discussion about the relationship fund—there's mention of it in our binder because the announcement was just made a few weeks ago. Just a couple of quick questions: Is there an application process or application forms for that fund?

Hon. Michael Bryant: At this time, we're in discussions with the leadership as to how it ought to operate. There are different models. This is something where, eventually, we'll absolutely need to provide that information to members of provincial Parliament, along with First Nations and Metis leadership and First Nations and Metis communities.

Mr. Toby Barrett: Any idea how the allocation would be determined?

Hon. Michael Bryant: I'm not sure if this answers your question, but the goal is to provide the community capacity that I referred to—a level of expertise that will allow for agreements to be made, negotiations to take place on a timely basis, and also specific skills-training capacity. Right now, the individual skills training will not make up the bulk of how the fund is spent, but my hope is that over time, as that ability within the communities—as they build that in-house legal, business and other expertise—to engage in negotiations with the private sector and government in a timely way, the fund will be used more to provide specific assistance to individuals in creating their own businesses and entrepreneurship, and sustaining them in the skills to themselves create more jobs and wealth and capital. We do have a challenge there, as you know. Although Six Nations has shown enormous leadership in the way in which they've dealt with disposition and use of homes and property, we have that big problem within the Indian Act, which does not allow capital to accumulate. We have a capitalist system, but in this capitalist system, there is no ability to have capital on reserve. It just doesn't make any sense. It's a real barrier to progress because in the absence of ownership of the home, the housing—I think everybody knows that in many communities, the housing is in a terrible state.

Mr. Toby Barrett: You mentioned Six Nations. That land is crown land. That's not—

Hon. Michael Bryant: When I made reference to the innovation and the leadership—Six Nations wanted to work with banks to try and allow for homes to be im-

proved, and in essence what happens is that something other than title is transferred. I think it's through—

Mr. Gilles Bisson: A band guarantee.

Hon. Michael Bryant: It's a band guarantee on the one hand. That's the guarantee on the financing, but the individual ends up getting something resembling a leasehold. That's what I was referring to: home ownership.

Mr. Toby Barrett: We know there's been media about this relationship fund. I guess the assumption was that there were other funding programs for business development and things like that. But much of that, I understand, is around negotiations or relationships with various parties. I get emails, and there's an assumption out there, and maybe it's because there's so much in the media about Brantford—we now know that there's a temporary injunction—that some of this money would be used to pay lawyers. I don't know whether that's true or not. Maybe it's too early, but the assumption is—I'm just thinking of the HDI business in Brantford. There was a very large number of Toronto-based lawyers, well-known lawyers—Marlys Edwardh, is it? The question is, is there a new fund to pay for all these lawyers? HDI and Aaron Detlor—the assumption is that there's not much coming in to them by way of fees. How can they afford to hire someone like Marlys Edwardh, who is a very high-profile lawyer, as I understand it.

Hon. Michael Bryant: Ms. Edwardh is also a very respected and excellent counsel. And that issue of cost is directly before the courts right now. That's an outstanding issue, so I can't get into that specifically.

The comment had been made before—and I completely share this concern and the government shares this concern. We don't want this \$25 million to somehow be used primarily to pay for often quite expensive hourly fees—although the government always negotiates a fair rate—either to lawyers or consultants.

The goal is to try to create—when I say in-house capacity, in the provincial government, the Ministry of the Attorney General does the vast majority of the work, I want to say 98% of the legal work. The crown attorneys who are providing either civil or criminal work don't bill the government per hour; they get paid a salary. When I say building an in-house capacity, I mean ideally what we would have—and again, this is subject to negotiation and consultation with First Nations—is First Nations building up that in-house capacity, so that instead of it going on an hourly rate to somebody in many cases outside of that community, whether they be in downtown Toronto or somewhere in the region, rather it's the First Nation that's engaging in that capacity.

Mr. Toby Barrett: Okay. One other—

The Chair (Mr. Tim Hudak): Sorry, Mr. Barrett, that does conclude the time.

Mr. Toby Barrett: Just quickly, there is a request for a relationship fund for the other side—

The Chair (Mr. Tim Hudak): Sorry, that does conclude our time. We do have an afternoon session as well. We'll move to the third party. Mr. Bisson, you have 20 minutes.

Mr. Gilles Bisson: We have a very short session this afternoon. We just don't have enough time.

I want to go on to the issue of mining. You will well know that at dispute is the issue of making sure that First Nations get their fair share when it comes to any mining activity or whatever activity happens on their traditional lands. But the issue that's even more fundamental than that is the First Nations not just being consulted, but being listened to when it comes to how and when and if there is to be any development on their traditional territories.

You'll know as well as I do—and just to make sure that I'm clear on the direction I'm going in, the majority of First Nations want to have development. It's not a question of how they stand opposed to development; it's a question of how they want a deal that makes sense for their people.

I guess my question is this: We've got some good examples and we've got some pretty bad examples of junior mining companies that have come in and done some exploration. A good example is what happened with De Beers. De Beers said up front, "We ain't opening no mine until we get an impact benefit agreement signed"—very simple. They just weren't going to do it. It took a lot of time; it took the better part of probably six or seven years to negotiate an IBA. In the end, the IBA was ratified by about 75% or 80% of Attawapiskat, which allowed the mine to go forward. So that's a good example.

The bad example is what happened in the case of KI, where a junior mining company said, "To heck with the rights of the First Nations. To heck with the duty to consult that the crown has. We're just going to go ahead and do what we've got to do."

My question to you is simply this: I understand that there's a round table and that we're going to deal with a whole bunch of issues flowing out of this round table, but why doesn't the government just take a position now and say, before any claim is registered after being staked, it will not be registered with the mining recorder until such time that there is proof that the First Nation has been consulted and has signed off? Why don't we just take that position now? It would end part of the problem.

Hon. Michael Bryant: It's interesting. We're outside of estimates, but I'm enjoying this conversation.

Mr. Gilles Bisson: No, it's very much part of it.

Hon. Michael Bryant: Yes.

Firstly, we know how the statute reads and the requirements of the statute. The government could take a policy position but would not be in a position to enforce it absent statutory changes.

How else could the government effect that? In essence, I feel as if we've endeavoured to do that by the support, for example, of that agreement between prospectors and developers in the Assembly of First Nations and statements made by the Premier and myself that an agreement ought to be the goal of every junior mining company that seeks to enter traditional lands. But is that

the law of Ontario right now? No. That's why we need to change the Mining Act.

So what do we do? It's part of my job to go around and advocate for full consultation. I do that. I realize that KI is obviously a very, very important exception to the rule, but it is the rule, and it is the majority of the cases that, in fact, consultation does take place. The De Beers approach and the impact benefit agreement that De Beers entered into becomes a model, and I don't just mean in the abstract, I mean literally. Companies call up De Beers and say, "Can we have a copy of your agreement and can you tell us what the approach is?" And they do that.

1030

So yes, I agree, we have to deal with the statutory requirements to deal with those exceptional cases, but it is the case right now, to give credit to First Nations and, for that matter, to the industry, that the number of instances where there are agreements and there is consultation represents 99% of the instances. These exceptions are—I'm not saying, "Oh well, they're exceptions," and shrugging my shoulders. I'm not saying that. I'm saying they're very, very important instances that we have to address, and I've certainly made it a big priority.

Mr. Gilles Bisson: I guess the point is that the reality is that the majority of the mining companies are trying to do the right thing—the De Beers example. But there are still some others out there who just want to short-circuit the process. Currently the Mining Act—I've got a copy of it and I've looked at this in some detail—gives the minister the right to write regulation. All this simply needs is a regulation to say, before any claim is accepted by the mining recorder's office, that there needs to be a sign-off by the community that's affected. That resolves half of the issues right there.

Hon. Michael Bryant: Two things: Firstly, you enunciated a policy position—post-staking mandatory consultation. Right?

Mr. Gilles Bisson: Well, I'll get to that after, but I'm talking "pre" at this point. The premise is, this year, if First Nations know that basically they have not only a right, but that there is a duty on the part of the mining industry to go in and say, "We think there might be some mineralization in your territory. We've done some aerial surveys; let us show you what that is, and we want to go in and do some staking"—staking may well not lead to a mine, as you well know, you've got to stake how many claims before you find one, but it's the first step towards finding a mine—"Can we have your permission and what advice do you have to give us when it comes to entering your land to do that?" Ninety-nine percent of First Nations will fall over each other to make it happen, so it's not a hindrance to development.

My question is, currently we have the right within the Mining Act for the minister to write regulations, and all you need is a regulation that says that no claim shall be registered with the mining recorder until such time that there's some form of sign-off from the First Nation, and we can define that. The problem with opening the Mining Act is that there's a whole bunch of other people who

want the Mining Act opened for a whole bunch of different reasons other than assisting First Nations. Let's be quite blunt with each other here.

Hon. Michael Bryant: You're making a constructive, positive and obviously experienced suggestion here, so when I say this I don't mean it as a criticism: I'm not sure that that prescription would receive the full endorsement of First Nations themselves. In other words, I think even if it could be effected by regulation—and I doubt what you're referring to could be effected by regulation, because I think it would be contrary to a statutory provision; it's a statute that needs to be changed—I don't know if in fact we have a consensus around that particular alternative to the current situation. I'm not saying that it's something that's on or off the table, and I don't mean it's not that simple in a trite way. I mean I don't think it can be effected by regulation, because if it could have been effected by regulation then perhaps the NDP government might have done that, because that would have been a lot—

Mr. Gilles Bisson: It wasn't the issue it is today, in all fairness.

Hon. Michael Bryant: Fair enough. I didn't mean it in that way. I just mean it's a lot easier to effect things by regulation than it is, obviously, by legislative changes. Beyond that, even if it were possible, and I don't think it is, we do need to be in a position as a government that we can say, "This is a consensus position as between"—and believe me, I've had discussions with the confederacy, and Grand Chief Toulouse and Grand Chief Beardy in particular about the north and independence as well. I wouldn't say that there's a consensus position as to what the result is, let alone also bringing in the voice of the mining industry, which I don't think we can completely exclude, I'm sure you'd agree. Nor do we want to create a situation where no mining company would come within a country mile of the province of Ontario because the climate is such that it's unattractive. We do have a lot of industry right now, and we want to encourage that, but at the same time we've got to find the balance between the economic development that comes with that industry for First Nations people, on the one hand, and the respect, consent, consultation and self-determination on the other hand.

Mr. Gilles Bisson: We're going to disagree, the two of us, on, "Can you do it through the Mining Act?" I say yes; you think probably not. But that would be something interesting to follow up.

On the other issue, is there a consensus within First Nations? I think you could get one pretty quickly on this—

Interjection.

Mr. Gilles Bisson: Let me finish. I heard what you had to say in discussion with NAN Treaty 3, the various tribal councils and others, basically that if there was some sort of guarantee to say, "Nobody can just jump on your land and stake a claim without talking," we can work out the details fairly simply.

Let me move to the next part, which is the issue of section 35. Yesterday there was a question in the House, and I thought it was interesting. I'm not going to read it for the record; I don't have enough time. The basic premise was that our leader has been raising a separate issue, which is, once a claim is staked, the minister, under section 35, can withdraw that land from that staking activity post-staking. Yes, post-staking; I've got it right. The answer to the question by Minister Gravelle was, "No, I don't have that right under section 35." I'm looking at 35 here, and it says that he does:

"The minister may, by order signed by him or her,

"a) withdraw from prospecting, staking out, sale or lease, or"—when we talk about "sale or lease," it's the activities that happen after staking—do you follow?—because, once you've staked a claim, then you make a deal with the mining company. You either sell that claim to a mining company or you lease it or you have some sort of royalty arrangement. So clearly the act contemplates that if there is some reason that it has to be withdrawn, it could be withdrawn.

Just your comments on that: Why would the minister say something that's pretty darned contrary to the act?

Hon. Michael Bryant: That's not my understanding. I guess this may be one where we agree to disagree, but my understanding is that that particular provision is interpreted, based on principles of statutory interpretation, as applying to—and if you read the sentence, I think there was a comma "or"—right?

Mr. Gilles Bisson: Yes, I know. It's "staking out, sale or lease," and "sale or lease" are the two activities that can happen after staking.

Hon. Michael Bryant: Yes, I hear you on that. If the word "staking" wasn't in there, perhaps it might be interpreted differently. But my understanding is—and you'd have to take this up with the Attorney General; I always agree with the Attorney General—that that's not how—

Mr. Gilles Bisson: You Attorneys General are all the same, by the way.

Hon. Michael Bryant: That includes Mr. Hampton, then—includes an interpretation that says that it's pre-staking. That's a different set of legal interpretations.

Mr. Gilles Bisson: Okay, we agree to disagree, but here's the issue. If, on the one hand, the government is not prepared to put a regulatory change or a legislative change, whatever you choose to do, to make sure that the First Nations are protected when it comes to being consulted about any activities of staking and what may happen after as far as benefit from that, then you need some way at least to stop the bad apples and send a very strong message on the part of the province that, "We encourage exploration. Ontario is a great place to come and do business. The only thing we're telling you, by way of policy, is that you need to go and talk to First Nations when entering on their territory. If you don't do it properly and you do it without them, we reserve a right, under section 35." You've got to do one or the other to resolve this thing. For the life of me, on the one hand

you've got the statutory requirement to do the post-staking withdrawal if you need it, and if you chose to, you could do the pre-staking by way of regulation. What gives? Why is the government so hesitant in moving on this?

Hon. Michael Bryant: No, pre-staking doesn't require a regulation, or if it does, it has already been enacted, because it takes place. Minister Gravelle referred to that, I think, in his answer. They do engage in pre-staking, if you like, no-go zones. As I said, the statute does not allow us, by regulation or otherwise, to do it once a stake is laid.

In any event, I want to get the forest from the trees. Your recommendation is, I assume, that regardless of what that statute says, we need, for future cases, to establish under the Mining Act the consultation duties to be fulfilled. With respect to KI in particular, I just say that we—we, the government; the Ministry of Aboriginal Affairs and the Ministry of Mines—have engaged in extensive discussions with Platinex and KI in trying to find a solution. So if there was a neat solution that the government could have executed, it would have been done already. I appreciate the question that you're asking, but it's just not available to us right now. If it were, we would have exercised it.

1040

Look at the situation we have right now. You know what the relationship is between KI and Platinex, right? At the same time, we know that we want to try and provide some certainty to that community. We want to provide satisfaction to that community. Chief Morris has said to me, "I'm not against development."

Mr. Gilles Bisson: Hardly any are.

Hon. Michael Bryant: "I just want to be able to start again, afresh, with a clean slate." That's what he said to me a number of times.

Mr. Gilles Bisson: Section 35 is one way to do that. The frustrating part in all of this is that, as somebody who is both knowledgeable and—excuse me; let me say that again. I know many people in the mining sector. In discussions that I've had with both the majors and the junior mining exploration companies, they want the province to show some leadership on this, because it's creating great uncertainty now when it comes to staking. When you're going out and trying to raise dollars to get into a major exploration program, and it happens to be on traditional territories, there is a grey area there. At the end of the day, can we, will we, how do we get permission from First Nations? It creates great uncertainty.

The mining companies, the majors, and a lot of the junior exploration companies, are saying, "We're looking for the province to establish some leadership on establishing what the rules are, so we all know what the heck they are, and then we make a decision. It's either economical or it's not, and we move forward." Those who are pro development will say, "You can't restrict our right too much." Some people may argue less than that, from the other side of the equation. If the mining

corporations and the junior mining exploration sector are saying, "Do this," and the First Nations are saying, "We need to find a solution," I don't understand why this thing is dragging on so long. Because there's going to be another Platinox that is going to move on someone's territory—to have it all redone again.

What do we do? Do we tell First Nations, "Exercise your rights by asking the minister to withdraw, under section 35, any of your territories from future staking"? Certainly, we don't want to do that, but that's the only option you're really giving First Nations. You're saying, "The only thing we can do as a crown is to remove from pre-staking lands that are in dispute." What we're kind of telling First Nations is that the only tool the government has that it's willing to use—if you basically say, "Withdraw from the ability to stake and explore my traditional territories," that's about the only thing. I think that would be disastrous.

Why don't we find a solution to this? It's not all that complicated: section 35, post-staking, or regulations under the Mining Act. Why? What's the big difficulty?

Hon. Michael Bryant: It's a matter of getting, firstly, the consultation with aboriginal peoples on the one hand, and the consultation that I think you would agree that you need to enter into with the mining industry on the other hand, to come up with a solution. I'll just say that a year ago, Mr. Bisson, this issue did not have the level of public interest that it does today. Nonetheless, it was a commitment of ours to in fact review and make changes and modernize the Mining Act. I think, if you just track question period, we'll see that this is an issue that has certainly arisen with greater urgency over the last six months. The question will be, will the government be able to say that we acted in a timely fashion under the circumstances? I think, at the end of the day, we'll be able to say that. You're saying, "Hurry up." I take your point.

Mr. Gilles Bisson: I would just say that the relevance of the issue today is that it took a while for First Nations to organize themselves in saying, "We want to make this an issue." The first thing, which you understand as well as I do, is that they've got to be the drivers in this thing. We can't make a paternalistic decision on their behalf.

As far as this whole issue of accessing their traditional territories, I can tell you that that's been around for a while. In fact, there have been bills that I've introduced in the House, and there have been questions for a while. I think what precipitated it was the jailing of both the Ardoch First Nation leadership and KI. Quite frankly, that's one of the tragedies.

Very quickly, on a separate issue, water regulation: You'll know that many, probably a majority, of First Nations communities don't have potable water. Part of the problem is that basically, the federal government says yes, they follow provincial standards. My experience, when I look at the water plants, is that they don't. I'm just wondering if we can get from the ministry whether there is any formal agreement between the province and the federal government, or is there any mechanism that

ensures that the federal government follows provincial water regulations.

Hon. Michael Bryant: I think the Chair's going to say, "Make it short."

The Chair (Mr. Tim Hudak): That will be the last one. It's the last question.

Hon. Michael Bryant: Within the Ministry of Aboriginal Affairs—look, let me answer the question in a more fulsome way, maybe, when we go back after the break. Would that be all right with you, Chair? We'll get you that information when we come back.

The Chair (Mr. Tim Hudak): Okay, terrific. Folks, we will stand adjourned until this afternoon at 4 p.m., when we will have one hour and 14 minutes remaining in the estimates for aboriginal affairs. Thank you, folks. We'll now proceed to question period.

The committee recessed from 1046 to 1604.

The Chair (Mr. Tim Hudak): Good afternoon, folks. We're going to call back into session the Standing Committee on Estimates for our afternoon session of Tuesday, June 3, which will be our last session on estimates. We have approximately one hour and 14 minutes remaining. The first rotation will be the government's 20 minutes. Then we'll divide up the remaining time equally among the three parties.

The minister has some further information that he wanted to convey to the committee. My suggestion is to work with the government members to ensure the minister has time to do so within the hour and 14 minutes that we have remaining.

I also want to note a reminder to members of the subcommittee. We're meeting at 3:30 tomorrow in this committee room before our next session of estimates, just to discuss if we want to meet in the summertime, or your approach to the remaining time that we have left on committee. As you know, we have to report back by November 17, the third Thursday of November.

I do have a ruling. I want to respond. The minister had asked for a ruling from our May 27 meeting. So I'll read this into the record:

At the May 27 meeting of this committee, the Chair was asked by Minister Bryant to make a ruling on the admissibility of a document requested by a member taking part in the committee proceedings. The minister questioned the relevance of the document to the estimates process. Specifically, Mr. Hampton requested the minister table a memorandum of understanding, "which was reported in the Canadian Press on March 6 as a template for resolving conflicts between First Nations and mineral exploration companies."

I've given the matter careful consideration, and in so doing have looked back to a ruling made by Murray Gaunt, the MPP and Chair of the Standing Committee on Social Development in 1980, when his committee at the time—interesting, eh?—was charged with the consideration of the Ministry of Health estimates. That was the way it was done in those days. While the issue he addressed concerned the admissibility of witnesses, rather

than documents, during the estimates process, some of his reflections are applicable to the question at hand.

Mr. Gaunt reminded the committee that, "The purpose of estimates committee is for members of the Legislature and, through them, the people of Ontario, to determine if the government is spending public money appropriately, wisely and effectively in the delivery of services intended." He continued, "In the best sense of parliamentary tradition, ministers and staff come before the estimates committee as supplicants seeking approval for expenditures and programs for which they have responsibility. They are the applicants for the money. The relevant question to the committee is, 'Shall the vote carry?' Therefore, the committee's responsibility is to judge if this money has been or will be spent wisely."

Members know there are significant sums of taxpayers' money that committee members are being asked to approve. Past Chairs have recognized that while the discussion during estimates rightly involves the actual dollar expenditures of the ministry in question, it might also involve the discussion of that ministry's policy, which is the reason for the expenditure in the first place.

As Chair, I tend to allow members to ask a wide range of questions based on the estimates before the committee to ensure they are confident the ministry will spend those dollars appropriately. Members have asked questions, for example about the delivery of similar programs in previous fiscal years, about the policy framework that supports a ministry's approach to a problem or to a service delivery, or about the competence of a ministry to spend the money wisely and efficiently.

The Ministry of Aboriginal Affairs also plays a unique role in this government. According to its own results-based plan for 2008-09, the ministry has a mandate to coordinate government policies related to aboriginal people in Ontario and has corporate leadership across government, being responsible for coordinating cross-ministry aboriginal policy initiatives and the multilateral relationship processes.

With this in mind, I would like to recognize and say I appreciate the efforts on the part of Minister Bryant and his deputy minister in endeavouring to provide the committee with answers regarding programs and initiatives within the ministry, as well as those where the ministry is involved in its advocacy or coordinating role.

I would remind members that standing order 109(b) authorizes committees, except when the House orders otherwise, to send for persons, papers and things.

I would also like to remind the members that the estimates process has worked well with the give-and-take approach that we have seen. On one hand, members of the committee take care to keep their questions relevant in the context of the main question: Shall the vote giving authority to spend certain sums of money for specific purposes carry? The ministry, for its part, demonstrates an openness in providing information as requested by the committee.

It is in the spirit of give and take that I rule the member's request for the memorandum of understanding

is in order. I trust that the information will assist the committee in its consideration of the ministry's estimates and I trust that the minister, as he has committed to do on other issues, will openly share that information with the committee.

Hon. Michael Bryant: Thank you, Chair. Now the real question is whether or not you're going to rule on the issue of which is the greatest park in the province of Ontario. I know there was some discussion on that this morning.

The Chair (Mr. Tim Hudak): Obviously that's an issue that is going to take some time and consideration. The Chair may in fact have his own version of parks in the beautiful Niagara Peninsula that may come into the question at hand.

Mr. Lou Rinaldi: That's a conflict

The Chair (Mr. Tim Hudak): It is a conflict? Then we'll take—

1610

Hon. Michael Bryant: Chair, I appreciate the ruling. I think those were early minutes of estimates. I was wondering, when I asked for a ruling, how far the net would be cast. Had I known how positive and constructive this was, I would happily have provided it at that time. I was thinking about the thin edge of the wedge and all that etc. I am certainly happy, as I am with a number of other items, to share information with the committee.

The Chair (Mr. Tim Hudak): Absolutely. I appreciate that. As you noted, in my ruling I wanted to make special note of your efforts to get those answers to committee members, as well as those of your deputy. Even if it isn't your ministry that delivers it, you've been involved in some way. So I do want to commend the minister for that.

Hon. Michael Bryant: Thank you.

The Chair (Mr. Tim Hudak): Folks, we're going to begin with the government members. As I said, they have 20 minutes in this rotation, then the remaining time will be divided up equally between the three parties that we have on the hour and 14 minutes or so left. Mr. Rinaldi.

Mr. Lou Rinaldi: As we wind things down here this afternoon, I have three or four remaining questions that maybe the minister could elaborate on a little bit more, and then we can wrap up, as you said, in the remaining time.

Minister, in more of a detailed sense, can you tell us what is the Metis Nation of Ontario framework and what does it hope to accomplish as we go towards that particular framework?

Hon. Michael Bryant: Sorry. Did you say the Metis framework?

Mr. Lou Rinaldi: Yes.

Hon. Michael Bryant: I'm going to answer that. I'm also going to take the Chair's advice and use this opportunity, if it's acceptable to you, Mr. Rinaldi, to read in a few answers to members' questions and a follow-up to the inquiries. Is that okay with you?

Mr. Lou Rinaldi: Absolutely.

Hon. Michael Bryant: There was a question by Mr. Hampton about provincial expenditures on Platinex and Frontenac negotiations; in particular, information on the retention of Mr. Cam Clark as lead provincial negotiator for Ontario. The ministry did not incur any direct costs on either of the files to date. Mr. Clark was retained by the Ministry of Northern Development and Mines. Mr. Hampton wanted to know, among other things, if it wasn't through the Ministry of Aboriginal Affairs, where was it. That work was retained by the Ministry of Northern Development and Mines in accordance with the negotiation process. I know that the ministry will be up before estimates committee and I'm sure between now and then we'll have the particulars on that one.

There was also a question with respect to the purpose of the \$30 million announced in the March 2008 budget for far north land use planning. They are monies to be administered and distributed by the Ministry of Natural Resources, and it's our understanding that the exact breakdown of the \$30 million has not yet been finalized.

With respect to a question around policing costs, again not within the Ministry of Aboriginal Affairs, but in the spirit of co-operation I looked into these costs and the total Six Nations policing costs related to Caledonia and the policing arrangements on the Sixth Line. That was a question from Mr. Barrett. Again, these are within the Ministry of Community Safety and Correctional Services. I did make best efforts with respect to the inquiries, but I wasn't able to provide that. I know that certainly it's open to the member to make inquiries to the minister responsible.

Ipperwash Inquiry Priorities and Action Committee: Mr. Hampton wanted to know precise membership and I'm happy to oblige. Regional Chief Angus Toulouse, Grand Chief Beaucage, Grand Chief Beardy, Grand Chief Randall Phillips, Grand Chief Diane Kelly, Chief Joseph Gilbert, Grand Chief Stan Louttit, Chief William Montour—Bill Montour—of Six Nations, Grand Chief Tim Thompson and a First Nations elder, and whether or not it's one elder or another is determined by the First Nations membership.

The Metis membership on the committee is Mr. Lipinski, president, Metis Nation of Ontario; France Picotte, chair of the Metis Nation of Ontario; Sharon McBride, vice-chair, Metis Nation of Ontario; Tim Pile, secretary-treasurer; a provincial women's youth representative; another provincial youth representative of the Metis Nation of Ontario; and a Metis elder.

For the government, the membership is myself; Minister Bartolucci, the Minister of Community Safety and Correctional Services, by virtue of the fact that about half of the recommendations of the Linden commission involve policing issues; the great Jeff Leal, MPP for Peterborough and parliamentary assistant for aboriginal affairs; and also Dave Levac, MPP for Brant and parliamentary assistant for community safety.

For the government of Canada, present was a regional director general from the Ontario region of Indian and Northern Affairs Canada, who played an observatory

role, not a participatory role, on the committee itself. We're encouraging the federal government to actually participate in this.

Funds for the new gaming agreement: How is that to be distributed? I think Mr. Miller asked questions about that—sorry, Mr. Dunlop did, perhaps. I've made reference to the Ontario First Nations Limited Partnership as a company. It is in fact a limited partnership established to administer and distribute gaming revenue provided under the gaming revenue-sharing agreement to member First Nations.

Gaming revenue distributions to each community are determined by a formula using factors that include population, remoteness and needs. First Nations that receive revenue provide annual audited financial statements for the receipt and expenditure of this revenue. Amounts must be expended on health and education or community, cultural and economic development. Both Ontario and First Nations will select a joint appointee to review and make inquiries on the financial statements of First Nations that receive revenue. We're almost done here, Chair.

The Algonquin land claim negotiation: There was a question about when the province become involved in that negotiation. It was back in 1991-92. How much has this claim cost Ontario to date? Between 1991-92 and the present, Ontario has spent \$10,526,309, as of March 31, 2008. The approved budget for 2008-09 is \$1.258 million. So the total of all that is \$11.784 million.

All the achievements in the context of Ontario's only aboriginal title claim—all the other claims are treaty claims. This is the only comprehensive land claim, which is the federal language. It includes 10 status and non-status Algonquin communities, 14,000 square miles of land, the entire Ottawa valley watershed in Ontario, and it includes a comprehensive process of public involvement.

The specific breakdown was an agreement to split the cost of settling the claim 50-50 with Canada; an agreement that private property was not on the table—in other words, there would be no purchase of private property; an agreement of ownership of Algonquin park was also not on the table; and an agreement on exercise of duty to consult through the 14,000 square miles of land. There was also an agreement as to how the 10 Algonquin communities will work together to negotiate with Ontario and Canada as a collective. The target date for settlement is 2010. An agreement on that settlement must provide economic development as a priority.

My editorial comment on that would be that \$10 million spent negotiating a claim over 15, 16 years is probably a noteworthy example of why resolving claims in a timely fashion is not only important to the overall relationship between governments and First Nations, not only important to the economy with respect to certainty, not only primarily important with respect to the resolution of historic grievances, but also, in my view, a timely resolution of claims is very likely a better use of taxpayer

dollars: \$10 million spent thus far and \$11 million forecast to resolve a claim.

I have a copy of the gaming revenue-sharing financial agreement with me and I'm happy to provide it to the Chair. Copies can be made.

Education: "How much money does the province spend on aboriginal education and training and what type of programs does it support?" Mr. Bisson asked. Again, this isn't within the budget of the Ministry of Aboriginal Affairs, but the information I was able to obtain was that the government is investing \$45 million on aboriginal education and training programs. The specifics are within the Ministry of Education and the Ministry of Training, Colleges and Universities.

1620

Water quality on reserve: "Is the province responsible for ensuring that provincial water quality standards are met on reserve?" was Mr. Bisson's question. The federal government and the First Nations band councils are responsible for water quality on reserve. That's where the lines of responsibility lie.

The other question was, "Is there an agreement to bring water quality on reserve up to the provincial standard?" The provincial Ministry of the Environment has offered, and has provided on occasion, its technical expertise to First Nations and the federal government, and continues to be available and willing to assist when asked by either the federal government or First Nations.

That exhausts the inquiries that I undertook to make, so those are the answers we provided. There are no other outstanding undertakings or questions. Now I can answer Mr. Rinaldi's question with respect to the Metis framework.

Mr. Gilles Bisson: Just on a point of order to the clerk: If we can get a list of questions that were asked and what has been responded to and what we're waiting for, that would be helpful. You must have a list of all of that. The minister has responded to a number of inquiries and it would be good to get that formally in some kind of document. Plus, he's just submitted the gaming agreement while you were chatting with the Chair. We need to get a copy of that, because he's just given us back a report that we asked for.

The Clerk of the Committee (Ms. Sylwia Przedziecki): Okay.

Mr. Gilles Bisson: So what I'd like is a list of the questions that were asked, as we got earlier, and what's outstanding.

The Chair (Mr. Tim Hudak): Is that okay?

The Clerk of the Committee (Ms. Sylwia Przedziecki): Yes.

Hon. Michael Bryant: Just so we're clear, I appreciate what Mr. Bisson's asking. We've been jotting them down. There isn't anything missing so there's nothing outstanding. In any event, that's all open, obviously, to the clerk and the Chair. Copies of the agreement—here's a copy. I don't think we have—

Mr. Gilles Bisson: One is fine.

Hon. Michael Bryant: We have a couple of copies.

Framework: Firstly, what was important about the framework from the perspective of the Metis Nation was something that was—I'm not overstating it—celebrated by the president of the Metis Nation of Ontario, because from the perspective of the Metis Nation of Ontario, it was the first occasion on which the government of Ontario had formally acknowledged the existence of a government-to-government relationship with the Metis Nation of Ontario; an agreement to work with the Metis Nation of Ontario and recognize the distinct character, heritage, history, legal status and obviously the socio-economic needs of the Metis people as distinct from the First Nations of Ontario and, for that matter, as distinct from the Inuit. Under our Constitution, aboriginal peoples are defined as Indians, Metis and Inuit. The Supreme Court of Canada has made rulings with respect to Metis rights, but in terms of relationships between government and the Metis Nation of Ontario, it had never been particularly defined.

What the framework agreement provides for is in fact an entrenching of the formal relationship and acknowledgment between the Metis Nation and the government of Ontario, just as we have with First Nations, through the new approach that was established. In my previous life as minister responsible for aboriginal affairs and in the previous portfolio, we established a new relationship that would see formalized, regular, entrenched lines of communication between First Nations—as between the political confederacy on the one hand, as governments, and the government of Ontario on the other hand, as a government. That established a government-to-government not just relationship, which had been referred to before by a previous provincial government, but more pragmatically, I guess, established a process for how the priorities of First Nations would in fact be addressed by the government of Ontario.

The Metis framework allows for consultation and eventual agreement on how the relationship between the Metis Nation and the government of Ontario will take place and how we will entrench it and formalize it. This is one of the reasons why the government did it, and it was one of the reasons why the framework agreement was greeted very positively by the Metis Nation of Ontario. It also, I guess, politically acknowledged the importance of the Metis Nation of Ontario, that this was a priority for the provincial government, that the needs and also the opportunities afforded by the Metis Nation of Ontario and the important and historic relationship between Ontario and the Metis Nation of Ontario was in fact being acknowledged, keeping in mind, of course, that Ontario—the Legislative Assembly of Ontario in particular—had a bounty on the head of Louis Riel without a very specific dollar figure attached.

In the face of that ugly history, which we remember every year on Louis Riel Day in Ontario in a ceremony outside on the lawn, which many members of this committee have participated in, and in contrast to that abysmally low point in the relationship between Metis people and Ontario, this—from the perspective at least of Mr.

Belcourt, who at the time was president of the Metis Nation of Ontario—was a high point, and something that is entirely to the credit of Mr. Belcourt and entirely to the credit of the Metis Nation of Ontario and leaders like Mr. Belcourt, as well as Gary Lipinski, the current president, the years and years of advocacy, patience, negotiations and discussions, and eventually a result that they were looking for. Obviously, it was a good day for them for that reason and they deserve all of the credit for it.

I hope that answers your question. I'm in your hands, I say to the government members of the committee.

The Vice-Chair (Mr. Garfield Dunlop): Mr. Rinaldi, you've got about three minutes left in this round and then we go into the last 15-minute rotation for each caucus.

Mr. Lou Rinaldi: Great. Thanks very much, Chair. Minister, I'm delighted that you wanted to bring that to the forefront, to give us a bit more clear indication of how the framework works.

Having said that—I guess more of a general question mostly relating around native issues. The majority, I would think—and I don't have any specifics to qualify—from my perspective are mostly related around the land claim issues. That just seems to be the core root of where disputes stem from, and there are others, not just land claims, but I mean that seems to be the big core issue. Within your ministry that's just been newly formed to focus on native issues, can you give us some idea on how we can sort of speed up those land claims? I guess they've been there for a long time. It's something that doesn't happen overnight, but I'm sure that will be one of your aims.

Hon. Michael Bryant: The first thing you do is—I think we need to decide on targets, deadlines, and then determine how we're going to get there. Right now, it's really the reverse of that because there are no targets and no deadlines established. Because it tends, frankly, to take so long that it literally goes from one government to the next to the next, it wasn't unusual for land claims that were on my desk five years ago to have been commenced by Ian Scott, a member of the New Democratic government or a member of the Conservative government. It means that it always becomes someone else's problem or issue, and it always gets put off and put off. At the same time, the costs incurred of the negotiations continue to be incurred. I'm not saying that those costs somehow disappear. If you have deadlines, you're probably going to have increased costs on a day-to-day basis, but overall I think it would be a more efficient process. Far more important than the efficiency of it would be the resolution, in a timely fashion, of very old claims.

1630

I think we need to set out a target, and the federal statute that deals with the cash-only claims, which don't apply to Ontario, and to the \$150-million-and-under claims, which don't apply to most of the Ontario claims, is set out at three years. So deadlines are set by the federal government around claims. They're set, under the statute, at three years and then you work from there. You

design a process and fund a process that will provide for resolution within that framework.

Right now the province can and will do exactly that on our end of the claim, but from a First Nations perspective, that the province is in a position to settle a claim but the federal government is not is of little use to First Nations. A claim is a claim is a claim. The concern over who pays for what is not primary; it's the resolution of that claim. It's two things: Firstly, it's the setting of a deadline; and secondly it's the coordination of federal and provincial to reach that deadline.

What that means is that the federal government needs to get into the business of resolving Ontario claims, by which I mean \$150-million-and-over claims, and cash and land claims, which make up, again, 95% of the Ontario claims. We're not alone; there are other provinces that fall into that category. They have to get into the business of—

The Vice-Chair (Mr. Garfield Dunlop): If you could wrap up, Minister?

Hon. Michael Bryant: Sure—of a reasonable timeline, and then they have to basically provide the funding for it.

More on that, perhaps, as we continue to go around. Thanks, Chair.

The Vice-Chair (Mr. Garfield Dunlop): We'll now go into the last 15-minute rotations for each caucus. Mr. Miller or Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair—

Mr. Lou Rinaldi: Sorry, Mr. Chair. Is it 15 or 20 minutes?

The Vice-Chair (Mr. Garfield Dunlop): Fifteen minutes will clean it all up for each caucus. We're dividing up the last 45 minutes three equal ways.

Mr. Lou Rinaldi: Okay.

The Vice-Chair (Mr. Garfield Dunlop): Thank you. Go ahead.

Mr. Toby Barrett: I'll just pick up the one or two questions left.

The last time I was phrasing questions, I was speaking about the new relationship fund that now has been identified, the \$25 million, through this ministry. I think you indicated that this would be a down payment. As far as the budget, what is your expectation or plan for further funding? How much additional money would be budgeted for?

Hon. Michael Bryant: I'm not able to put a number on it right now because we took a different approach.

We could have said, "We think we're going to spend X number of dollars over the next 10 years." We could've done that, or we could take the approach where we provide significant funding to get the relationship fund up and running and to get it into operation for at least a year, after which the government of Ontario would be in a position to say, "Okay, here are what we anticipate the needs are and what we forecast the needs to be." Had we done it the other way, where we said, "Okay, over the next 10 years, we believe that the new relationship fund should be X number of dollars," we

would not have been able to announce, let alone allow for early implementation as quickly as we did, within the first six months of this mandate and within a year of the release of the Ipperwash commission recommendations. That would have taken longer. So the idea was, let's get this going and then we'll be in a better position to assess the needs and we'll have a better idea of that, I say to the member down the line.

Mr. Toby Barrett: The Ipperwash report recommended that this government establish a treaty commission of Ontario. I wonder where we are as far as implementing that recommendation and the cost of that, which the ministry would bear. Also, would this be similar to what we had a number of years ago? Is it the Indian land claims commission of Ontario? I'm trying to remember. Is it something like that?

Hon. Michael Bryant: It used to be the case that the—ONAS was the acronym, the Ontario Native Affairs Secretariat. It was a number of things, but primarily it was a provincial negotiation secretariat agency of the government. That function certainly continues under the Ministry of Aboriginal Affairs, but what doesn't happen, as I referred to before, is the kind of deadline-driven, coordinated resolution of land claims as between the federal and provincial governments.

The institution that you may be referring to is the Indian Claims Commission that existed under the federal government. Jim Prentice, the former federal minister of aboriginal affairs, in fact was the chair of the Indian Claims Commission. The Indian Claims Commission, on the one hand, worked well in terms of getting results; on the other hand, it was not binding. So it would make recommendations to the federal cabinet, but I think I'm right to say that the convention was not to accept the recommendations. And at some point, the Indian Claims Commission was dissolved.

Mr. Toby Barrett: I'm trying to remember—perhaps under the Attorney General, was there not a commission to do with more provincial claims? I think there was at least one claim on the Haldimand tract. I may be wrong. It was wrapped up several years ago, perhaps under this government, I'm not sure.

Hon. Michael Bryant: It would have been under the auspices of the Ontario Native Affairs Secretariat and its predecessor entities, but any such claims would have involved a federal and a provincial signatory.

Mr. Toby Barrett: One other thing from Ipperwash: It recommended that native police forces be made, if I'm not mistaken, independent of the OPP rather than an enhancement of the OPP. Where would we go on that? Is it the government's position that they should remain supervised by the OPP? What is the relationship with the RCMP? I'm sure there are informal relationships.

Hon. Michael Bryant: I couldn't speak to whether or not the RCMP is involved. That is an issue, broadly speaking, that will be addressed by the Ipperwash implementation committee. It will obviously involve the minister for community safety, Rick Bartolucci. Therefore, it will inevitably involve significant input from the OPP

and obviously from First Nations as well. But, no, that's something that we intend to consult and collaborate on with First Nations.

Mr. Toby Barrett: One other thing: You would be aware that a number of businesses and residents in the Caledonia area—it may have been close to two years ago—launched a certification for a class action lawsuit. Does this ministry budget to be involved in that process? I guess it's a lawsuit for compensation from the Ontario government. Is it your ministry that would take the lead in dealing with lawyers?

Hon. Michael Bryant: No, it would be the Ministry of the Attorney General, as litigation. This was one of the challenges. I think both Mr. Miller and Mr. Dunlop said that having a stand-alone ministry is vastly preferable. One of the reasons is, how can you, on the one hand, try and build relations as the minister responsible for aboriginal affairs, and on the other hand, be the chief legal officer, trying to deal with lawsuits? What this allows is for myself and the Ministry of Aboriginal Affairs to continue to try and improve relationships among First Nations, even under circumstances where there is ongoing litigation. So the sensitive litigation consultations and discussions that might take place between counsel and counsel take place in another ministry with a different set of issues involved and the independence that attaches to the Ministry of the Attorney General.

1640

The Vice-Chair (Mr. Garfield Dunlop): You've got about five and a half minutes left.

Mr. Toby Barrett: Okay, thank you. In the Caledonia area—I guess the one question I continue to get—what is this ministry's advice with respect to the future of that subdivision, the Douglas Creek Estates? Does this lie strictly at the negotiation table? One option that people, certainly in the neighbourhood, would be opposed to is to have that handed over. It's presently Ontario government property. What's the ministry's advice on that? Or is this done strictly through the negotiation table?

Hon. Michael Bryant: I'm not saying that it's either on or off the table. Everybody wants to come up with creative solutions. I haven't seen one that involves the use of that land to date, nor, as I understand it, has it been formally proposed at any time. It's something that I obviously don't want to say on behalf of the government is either going to happen or never going to happen, but I think the speculation that it will necessarily happen certainly isn't backed up by any facts or any of the activity at the negotiating table.

What's on the table and what's off the table—as the member knows, if there are activities outside of Caledonia that take place somewhere in Haldimand county, or Norfolk county for that matter, or Brant county, are they related to the negotiations? I can't speak for what took place before I was sworn in. I don't know the extent to which things dropped off the table as being unresolvable at the time. But typically, no.

Right now the offer that's on the table is with respect to the Welland claim. There was an offer made and then

there was a response from Haudenosaunee Six Nations. The extent to which there are other things on the table—I don't want to compromise the negotiations, but I don't have a significant update for the member at this time.

Mr. Toby Barrett: One other property, the Burtch property: Is your ministry footing the bill? I'm sure there were surveys, neighbouring environmental assessments and things like that. I just wonder, what's the status of the Burtch property? Is there a transfer process in place right now, that your ministry pays the bill for that process?

Hon. Michael Bryant: The deputy's helping me out here. It's undergoing—did you say remediation? Why don't I let you answer.

Ms. Lori Sterling: Right now the property is not an environmentally safe place. So they're doing remediation in the sense of checking the soil and taking down half-dilapidated buildings. That will go on for a little more time.

Mr. Toby Barrett: That's an Ontario Realty Corp. property. Does that somehow get transferred over to the status of crown land, to be native territory or—

Hon. Michael Bryant: It's just under remediation right now. But to your point, if any lands become part of a First Nations reserve, that would be a matter that's entirely within the domain of the federal government.

Mr. Toby Barrett: Okay. In the time I have, what is the status of the Ipperwash Provincial Park? This may have come up earlier. I understand there's a plan to return or share management of Ipperwash park, and the expenses involved there and working through that transfer process, if you will.

Hon. Michael Bryant: The community, the government and the First Nation are in discussions about the joint management and use of the land, as well as in discussions about the timeline after which the title would transfer over. I guess the preliminary issue to be addressed, for which I don't have an update, is how this land is going to be jointly managed and used. This is the community and the First Nation deciding together on how that land will be used in the spirit of cooperation, rebuilding and healing within the neighbouring communities and the First Nation. Either along the way or after the fact, discussions will take place about how long it will remain in that status, after which title would transfer. It's certainly not inconceivable that the use of the land would continue, regardless of the title, after there's an agreement on joint management.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister and Toby. Now to the third party for 15 minutes.

Mr. Gilles Bisson: Just to be clear: Is that the last 15 minutes that we have?

The Vice-Chair (Mr. Garfield Dunlop): Yes. We'll vote after the government party.

Mr. Gilles Bisson: Just a couple of things, and then I would like to use some of my time at the end to make a bit of a closing statement. In regard to the water issue, you responded earlier to part of the question that I had, which was that yes, it's a federal responsibility admin-

istered by the First Nation. I understand that, but I'm wondering, is there any ongoing discussion? I've been told by federal officials out of the ministry—their ministry of the environment; they call themselves something else, I forget what it is—that they actually do follow the provincial water regulations. Is there really any way of verifying that, in fact, they do? From what I can see, they don't because most of them are on boiled water.

Hon. Michael Bryant: The answer that I provided and my understanding is that the water quality and the standards are federally determined. In terms of them being different from provincial standards and less than provincial standards, then what about bringing it up so that they don't have one water quality standard off reserve and one on reserve, that would be wrong. It may be constitutional, but that doesn't mean it's right.

The way it's accommodated at this time is that the Ministry of the Environment has said, "Look, we're here to assist to bring it up to whatever standards you wish, but as long as the current structure is in place, it's a federal standard." Again, this was something where, had the Kelowna Accord that had been agreed to been sustained by the current federal government, you would have the provincial standard, the provincial administration and the provincial expertise brought to bear. Another example of, unfortunately, why the Kelowna Accord—

Mr. Gilles Bisson: Just to be clear, the federal government basically follows whatever standard they set out; there's no obligation on their part to follow the provincial standard. What we end up with is sort of like two classes of water systems within the province of Ontario.

The other thing, just in regard to transportation: Are you aware of any applications that are made to build all-seasons roads, specifically to the James Bay from Highway 11?

Hon. Michael Bryant: They would be made either through our office or directly to the Ministry of Transportation. I don't know if we have an answer off the top—it would be within the Ministry of Transportation. I don't have the answer right here in front of me.

Mr. Gilles Bisson: Okay. Just so I can help you a little bit with what I'm looking for, I do know that Mushkegowuk tribal council got some money from, I believe, the Ministry of Northern Development and Mines, and FedNor, I think, is where the other part of the money came from, and they used it as a part of a feasibility study. It's not even a feasibility study, it's like a pre-feasibility study about what needs to be done in order to build an all-seasons road. There are some rumours out there that there is a second study going on to do a road from Hearst north up to Attawapiskat. What I want to know is, do you have anything on that?

Hon. Michael Bryant: Again, it would be within the Ministry of Transportation, not through the estimates process, but outside of that. We'll try and track down that answer.

1650

Mr. Gilles Bisson: Really quickly, again on the transportation side: Transportation costs are a huge part of doing business in most of these communities from the northwest to the northeast. They're landlocked communities, as you know. You've visited many of them, and you would know, just from the price of your airline ticket or a charter to get in, that it's pretty darned expensive to do business in these remote communities. Are there any policy changes or any decisions that you're looking at making to try to deal with some of the transportation costs? There used to be at one time, years ago, a subsidy through the post office that allowed people to ship food and other things by way of the post office as a way of being able to reduce the cost of getting some of the basics into the communities. Are you aware of anything, provincially, that we're looking at to try—I'm not suggesting subsidizing the postage, but are there any studies or anything going on to look at the cost of transportation for these communities?

Hon. Michael Bryant: Not that I'm aware of. I would imagine that it would be federal, partly because it's in the air and partly because it's First Nations. You'll know very well that there are, in fact, First Nations-owned—or partially owned—airlines. As to whether or not there was and is a subsidy done through the post office, I'm not aware of that. Again, outside of the estimates process, we'll try to find the answer to that and provide it to you.

Mr. Gilles Bisson: If there's anything, I'd be interested, because I've heard some people talking about how there's some work, provincially, going on in that area, and I just wanted to know what that was.

Again, on the issue of the remoteness, one of the things that we're seeing is that there are high levels of diabetes and other diseases in a lot of the communities, and a lot of it has to do with food. The cost of being able to get a head of lettuce to a community, or carrots or good fruits and vegetables is pretty high, and as a result, people can't afford to purchase them. From a health perspective, are you aware of any initiatives on the part of the Ministry of Health to look at the whole issue of healthy eating, as far as being able to provide those types of sustenance to those communities?

Hon. Michael Bryant: It's a very good point. The AHWS, the Ministry of Health, the Ministry of Health Promotion and First Nations work on that, in fact. Again, there's much federal overlap on reserve, but we try to basically—similar to the Ministry of the Environment and the provision of their expertise, the same holds with respect to the Ministry of Health Promotion, in working with First Nations to try to design, for example, some guidelines and some suggested best practices as to what to avoid and not to avoid. It probably means a little less bannock and a little more—

Mr. Gilles Bisson: Fruits and vegetables

Hon. Michael Bryant: Fruits and vegetables.

Mr. Gilles Bisson: The sad part is that it's cheaper to get pop and chips flown into communities than it is to get a head of lettuce flown in because of weight. It's an issue

of weight on aircraft. You pay by the pound. Unfortunately, more of that is consumed than of other foods.

I just want to take the last five or six minutes that I've got to make a general statement, from my perspective as a member who represents a large part of Ontario with remote communities—as well as my leader, Howard Hampton, who represents a sister riding next door, with regard to northwestern Ontario.

What I would say is this: I listened through these estimates, and I give the minister some credit. You have been straightforward in the answers that you've given. I think there's some empathy for the issues that face First Nations. But I think there's a fundamental decision that the province needs to make, from a policy perspective, if we're going to deal with a lot of these issues, and it comes back to the issue of who has responsibility to do what.

We've gotten into this mess, as I said earlier on, because we basically signed a treaty with First Nations and for the first half century did nothing and for the second half century we didn't do it too well. Quite frankly, the federal government was about 90% responsible for that. What we now see is that First Nations are starting to recognize that they live in the province of Ontario. I say that in the sense that—you would understand—they're starting to recognize that, yes, they signed a treaty with the federal government, but, at the end of the day, they also signed a treaty with Ontario and that if they limit themselves strictly to dealing with the federal government, we may very well wait another 50 or 100 years to deal with these pretty pressing problems.

Just to paint a picture, if you go into almost all of the communities in my riding and in Howard Hampton's riding and I would say Mr. Gravelle's, to a certain extent—especially the land-locked communities—it's a pretty desperate situation. I invite members of the committee, if we travel this summer on the James Bay for the work that we were looking at doing in regard to getting the committee up there to look at the flooding issue, to go and observe what people have to put up with. You're talking about communities that were built 40, 50 years ago, where the infrastructure has not been maintained in a way that it should have been maintained. It's no fault of the First Nation; there's just no funding federally to do proper maintenance.

In 80% of our communities' water systems, you wouldn't drink the water out of the tap for fear of getting sick or who knows? In the case of Kashechewan, I suspect to this day that there are people who passed away as a result of drinking that water. If you look at housing, there are 20, 25 people living in a house. Why? Because the federal government doesn't provide adequate dollars to provide decent housing. Education: abysmal—an abysmal record on the part of the federal government.

If the federal government can be faulted on one thing—if I could point the finger at one thing aside from housing—it would be the issue of what they've done in education. To leave now three generations of aboriginal children in the situation that they have around education

is, in my view, criminal, because it's not given the capacity to First Nations to develop the leadership and do the things they need to do—not to say that there's none there. You know as well as I do there are some very competent people who, beyond all of the hardballs and curves thrown at them and what the federal government didn't do, have themselves managed to move forward and become the leaders they are today and provide the administrative support to their communities etc. But we don't have the critical mass that we have needed to do what has to be done in those communities, and the reason why—I think a big part—is the failure of the federal system when it comes to education.

I have how much time? Because I want to finish on time.

The Vice-Chair (Mr. Garfield Dunlop): You've got about four minutes.

Mr. Gilles Bisson: Four minutes? Here's the point: If we as a province continue to sit here and say, "We're limited by what the Constitution says and we're limited by making sure that the federal government lives up to its fiduciary responsibility," I very much fear that, 50 years from now, a Minister of Aboriginal Affairs and a future member from Timmins-James Bay will sit here and be having the same conversations.

The decision that the province has to make is, to what degree do we want to be a part of the solution? I recognize, Minister, that we're talking about 50 years of problems that have built up. We're not going to fix it in six months, one year or two years. We're talking about pretty long-term solutions to some of these issues and, yes, fairly expensive ones, because most of these communities don't even have the basic things we take for granted, like a sidewalk, a paved road. Go into any of these communities in the summer and the dust in the community would be enough to make you sick, and it actually does make people sick.

I think the province at one point has to make a fundamental decision, and that is, do we become part of the solution, recognizing that yes, we're going to put ourselves on the hook for part of the solution—never to say that we take the federal government off the hook. The federal government has a fiduciary responsibility, and I don't advocate for one minute that we say, "Well, the heck with you guys. We'll just do it on our own," but we need to find ways to incrementally move the federal government with us towards finding solutions.

There are areas that we can do that in. For example, with Nishnawbe-Aski policing there's a prime opportunity, as I pointed out earlier at these hearings, where a \$25-million infrastructure investment is needed to bring NAPS infrastructure to current standards in comparison with other policing services in the province. The federal government doesn't want to put up their half; the province says, "We'll put up our half if the federal government puts up their half." We're never going to get anywhere. I say to you, one way to do it is to say, "Here, we have an agreement. We know what the funding mechanism is: It's 52-48. Here's our 48%. We're putting

the money there," make it available to First Nations and shame the federal government towards finding the solution of bringing the funding forward. I'll tell you, if we don't push the federal government, First Nations communities and ourselves as government towards taking the responsibility, they're going to continue doing what they've done for the past 100-plus years. I think wherever possible, we need to lead by example as a province.

On the question of education, we should be creating an Education Act for aboriginal people that enables them to create their own school boards based on what they need. We don't force it on them; we say, "Here's the legislation. It's enabling. If it takes you 10 years to make up your minds on how you want to do it, that's fine, but the legislation is there and we will work with you and with the federal government to figure out how we fund all of this in the end," recognizing that it's going to cost us a buck as well.

We've done it on the James Bay with the James Bay General Hospital—a merger with the Weeneebayko General Hospital. We've assumed the responsibility for health care on the James Bay. I think that is long overdue. I applaud the work that Smitherman has done on that. In fact, I've been leading the charge with many people trying to make that happen. In the end, we've got the federal government putting money in, we as a province are putting more money in, and we're going to be able to provide better health care services for the people on the James Bay.

I say that we can no longer point our finger at the federal government. We need to become part of the solution as a provincial government. I recognize that we can't do it all, but we've got to pick our fights and we've got to pick them where we can make the most effect. Wherever the opportunity exists, such as with Nishnawbe Aski policing or other issues that I've raised, I just think we should lead and bring the federal government along, kicking and screaming, because that's what it's going to take to finally bring justice.

1700

The last point, and the minister will agree with me on this: The conditions under which our First Nations people have to live in those communities are unacceptable in a country like Canada and a province like Ontario. I think it's a really sad statement about our society when we allow communities to be so far behind what everybody else is used to. When we allow that to happen, as members of this assembly or federal members of Parliament, I think we're all collectively to blame. If you're in the opposition or the government, we're all equally responsible, and I look forward to trying to find some solutions to some of these very complex problems.

The Vice-Chair (Mr. Garfield Dunlop): That cleans up your time as well, Mr. Bisson, as a member of the third party. The government has 15 minutes to wrap up.

Mr. Lou Rinaldi: I'm going to make it very brief and I'll leave some time for the minister to wrap things up. At the outset, I wanted to take the opportunity to thank

ministry staff, the deputy and the rest of the crew for the work they've done to make these seven hours come to an abrupt end—it's amazing what happens when you're having fun—and the committee staff, the clerk and all her staff and, Chair, you and Mr. Hudak for running this process really efficiently and, of course, all the committee members from all sides of the House. It was a really productive session and we did get some answers that I think will help folks from our First Nation communities to better understand the challenges we face. I think we all truly feel that we're all steering in the same direction.

Having said that, Minister, if you want to make any final comments, I'll leave that time up to you.

Hon. Michael Bryant: Thank you, Mr. Rinaldi. Let me just start by complying with the Chair's ruling around the Kitchenuhmaykoosib Inninuwug proclamation, the KI proclamation, and I'll read it into the record:

"The KIFN proclamation establishes the principles and values underlying any relationship that KIFN establishes with potential partners on KIFN land.

"Preamble

"Whereas Kitchenuhmaykoosib Inninuwug have resided in their traditional area since time immemorial and have always lived in harmony with nature, Kitchenuhmaykoosib Inninuwug inherits the responsibility to protect and restore their lands, water, and air for all future generations;

"Whereas Kitchenuhmaykoosib Inninuwug teachings and customary laws deserve respect by non-aboriginal partners, in order to achieve harmony and balance in Kitchenuhmaykoosib Inninuwug's natural environment;

"Whereas Kitchenuhmaykoosib Inninuwug arrives at decisions based on consensus of the community, however achieved, to ensure a lasting result for generations to come, those decisions will be complementary to their values and processes and recognize the cultural and traditional practices of their people;

"Whereas Kitchenuhmaykoosib Inninuwug requires that any community economic renewal and resource-based initiatives provide livelihood opportunities for their youth and future generations in keeping with cultural teachings and values;

"All partnerships with KI will be rooted in respect for traditional cultures and values, particularly to ensure the care and protection of ancestral lands.

"Declaration

"Principles of Declaration:

"All development of land-use processes will be consistent with traditional values of sustainability of Kitchenuhmaykoosib Inninuwug.

"All parties will share in the responsibility to ensure lasting, sustainable and responsible decisions and consequences.

"Decisions affecting the health and well-being of Kitchenuhmaykoosib Inninuwug will involve the community through its elders and elected leaders.

"All parties agree to be honest with each other and respectful of all life. This shared vision respects the

teachings and wisdom of Kitchenuhmaykoosib Inninuwug elders that supports the care and protection of the diversity of life on the land. This shared vision also supports dialogue and working together on the basis of respect and in a manner that will bring together the best of different knowledge traditions.

"Therefore, Kitchenuhmaykoosib Inninuwug and Ontario resolve:

"(1) That respect for the natural environment and sustainable development will coexist for all mining partnerships, consistent with the traditions and beliefs of Kitchenuhmaykoosib Inninuwug.

"(2) That Kitchenuhmaykoosib Inninuwug people will continue to pursue cultural and livelihood activities on affected land.

"(3) That principles of mutual respect and consultation will guide the exploration and development of resource-based opportunities, including potential benefits such as employment, education and sharing of revenue.

"(4) That Ontario and Kitchenuhmaykoosib Inninuwug will work co-operatively, as guided by the elders' knowledge and traditions, environmental values and perspectives, and customary indigenous traditional values and practices of Kitchenuhmaykoosib Inninuwug people, and to be harmonized with broader-scale ecological considerations and provincial responsibilities of Ontario."

That was from March 2008. It was intended as a summation of principles and values, Chair, that was parallel to—along with, aligned with, consistent with and addendum to—the very specific efforts by the government to try and resolve the matter in an agreeable fashion.

On that front, issues around, for example, a bilateral forum with KI for land use planning, resource benefit sharing, consultation relating to lands and issues relating to mining, are all set out. Those are the bread and butter issues that, in fact, involve something obviously much more concrete than principles and values, but sometimes come across as almost legalistic in terms of their articulation. Those specifics are set out in a letter of January 25, 2008, a copy of which is up on the Ministry of Aboriginal Affairs' website.

That really flowed out of my first meeting with the community, which was a very positive occasion. I was welcomed into the community; people had signs welcoming me into the community and gifts were exchanged. It was what I hoped then, and I still hope now, was the beginning of a particularly improved relationship between KI and the province of Ontario. The proclamation was intended as an acknowledgement of the teachings, values and principles that drive many of these things and drive the motivations of Chief Morris and council for all the decisions that they were making.

So there we go. I've now discharged all of my undertakings and provided all the information the committee has asked for. I want to thank the Chair and the Vice-Chair for the way in which these committee hearings were conducted. I want to thank in particular Mr.

Miller, Mr. Barrett, Mr. Bisson and Mr. Garfield from the official opposition and the New Democratic Party, the third party, for the spirit in which these discussions took place.

I confess, this is one of the most positive parliamentary experiences that I've been a part of since I've been elected. I sat on the justice and social policy committee when I was in opposition between 1999 and 2003. It was a fairly partisan committee, unlike, say, the public accounts committee. That was, I think, a tripartite partisan moment: Kormos, for the New Democrats, Bryant for the Liberals and people like the former parliamentary assistant, Mr. Tascona, for the government. It was not how committees operated in the 1980s, 1970s, 1960s and prior to that.

But Mr. Miller, to his credit, began the questions and the discussions at a level that I think were constructive and helpful, and allowed us to have a very good discussion about the government's approach: yes, how the government is spending money, but we entered into a conversation far broader than that, I hope not setting a precedent that will somehow prejudice government committee participation in the future, but rather a spirit of tripartisan co-operation which I'm very grateful to have been a part of. To the government members, who reflected that as well in their questions and discussions, and who thankfully just provided a number of spontaneous ideas—particularly helpful were the local reflections on what's happening in your home communities.

Of course, I'm the tip of the iceberg—if I can be an iceberg—of the work of the deputy and everybody in the Ministry of Aboriginal Affairs, and the assistance provided, frankly, by other ministries in assisting us in providing the information that we could provide in our

inquires. The people in my office have put an enormous amount of work in trying to show up here with the information that will allow us to have a positive discussion that fulfills the purposes of the supply process, and the estimates committee work in particular. I'd like to thank everybody concerned and hope that this experience carries on with your deliberations in the future, as the committee hearings continue. In a word, thank you.

I know I probably have a little bit of time left, Chair, but rather than talking out the additional time—and if you oppose this, that's fine, since we want to end in a co-operative way, as we began—I seek unanimous consent to agree that the government will forgo its additional time and allow you to go straight to—

The Vice-Chair (Mr. Garfield Dunlop): We can agree to that.

Hon. Michael Bryant: Agreed? Agreed. Thanks, everybody.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister. We will put the question now on the vote.

Shall vote 2001 carry? Carried.

Shall the estimates of the Ministry of Aboriginal Affairs carry? Carried.

Shall I report the estimates of the Ministry of Aboriginal Affairs to the House? Carried.

I'd like to thank all the members, on behalf of Chair Hudak, and particularly the minister and the ministry staff for being here and providing good, valuable information to the committee.

This committee is adjourned until tomorrow at 4 o'clock, when we'll discuss the estimates of the Ministry of Health and Long-Term Care.

The committee adjourned at 1711.

CONTENTS

Tuesday 3 June 2008

Ministry of Aboriginal Affairs	E-123
Hon. Michael Bryant, minister	
Ms. Lori Sterling, deputy minister	
Mr. David Lynch, Acting chief administrative officer	

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C26
E77



E-9

E-9

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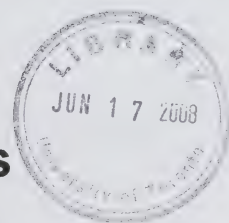
Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 4 June 2008

Journal des débats (Hansard)

Mercredi 4 juin 2008



Standing Committee on Estimates

Ministry of Health
and Long-Term Care

Comité permanent des budgets des dépenses

Ministère de la Santé et des Soins
de longue durée

Chair: Tim Hudak
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 4 June 2008

Mercredi 4 juin 2008

*The committee met at 1611 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Tim Hudak): Good afternoon, folks. I'm pleased to call back to order the Standing Committee on Estimates for its first day of consideration of the Ministry of Health and Long-Term Care. We welcome the Honourable George Smitherman, Minister of Health, back to his favourite committee, the estimates committee. I know the minister enjoys it; we always enjoy having the minister. We have Deputy Minister Ron Sapsford as well. Deputy Minister, welcome back to the estimates committee. It's good to see you again.

Just an opening comment: We have 10 hours of hearings on the Ministry of Health and Long-Term Care. Minister and Deputy, I think you understand that we do ask you to monitor the proceedings closely for any questions or issues that you cannot answer at the time. That does happen from time to time; we understand that. I trust that the deputy minister has made arrangements to have these hearings monitored so the ministry can respond accordingly when they have that information at hand. As always, we have our intrepid researcher here, Elaine Campbell, whom you can compare notes with after each committee meeting to make sure that the questions that require follow-up are clear.

Just to remind folks of how this works, the minister has 30 minutes to make his opening comments, followed by 30 minutes for the official opposition, 30 minutes for the third party, and then, traditionally, 30 minutes for the minister to wrap up. The way the clock will work today is, that will take us to about 10 past 6. So the minister could use 20 minutes to wrap up, or if you want to stand down the additional 10 minutes to our next meeting, you can choose to do that as well. Given that there is an occasion that many members want to go to this evening, I'm going to recommend that we try to end by 6 p.m.

Hon. George Smitherman: With your good memory, you might know that I don't really want to go to that occasion. Nevertheless, I'd be happy to stand down the balance of my time to the first 10 minutes of the next time that we have a chance to meet.

The Chair (Mr. Tim Hudak): Very good. I will now call vote 1401. Of course, members know that after the initial round of 30 minutes, we divide up the time equally in 20-minute segments among the three parties.

Minister, the floor is yours. You have 30 minutes.

Hon. George Smitherman: Most people wouldn't say this and be believable, but I hope you believe me when I say it's nice to be back. We were disappointed last year when the ministry didn't get to come to estimates and present some of the progress we've been able to make and to address the questions that invariably come.

The Chair (Mr. Tim Hudak): You did it for the Premier's office, though.

Hon. George Smitherman: Yes, that's right. Now that you mention it, I remember that.

I don't have a prepared text per se; just a few speaking notes. But one thing that we have prepared for the benefit of members is this document, Strengthening Health Care for Ontarians, and in a variety of points, I'll be referring to specific pages. I came to the conclusion, because the Ministry of Health budget that's before everybody is about \$40.4 billion, that sometimes it's helpful to try to distill it down to a bunch of the key issues that are very, very relevant to all of us and to our constituents. For sure, what that gives us the opportunity to do is to present substantial results that are reflected in these one-pagers.

From the very first day, in October 2003, that I gained the privileged role as Ontario's Minister of Health, I concluded that the theme of continuous quality improvement was what is necessary for the appropriate approach to health care. There's absolutely no doubt that for all of the reformist zeal and transformative initiatives that we've implemented, there are many areas in health care where we can all acknowledge that there's more work to be done. I'm really excited about the opportunity in this session to talk about our government's vision for health care over the next few years.

One of the things that I really think has begun to take root in our health care system is a better concept of patient-centred care. At the heart of it, I try to remind everybody that the patient isn't just the individual whom the service provider delivers support to; the patient is actually a shareholder. The public health care system is owned by 13 million Ontarians, and the obligation on their behalf is one that we take very seriously.

We've done a lot of transformative things in health care, and one of the things we've done is to adopt what Roy Romanow said. He once said that accountability was the missing sixth principle of the Canada Health Act. I think that in a variety of ways, through transparency as a means to accountability, we're dramatically enhancing

the amount of access that people have to information about the performance of their health care system.

Local health integration networks have emerged in a way that allows a conversation about health care to take place in a local community and in a local context. Important decisions of the boards of LHINs will be taken in the full sight of the public.

The wait time initiative gives Ontarians the opportunity, with a click of a few buttons, to gain access to a bevy of information—which is in the midst of expanding dramatically—about the performance of a wide variety of health care initiatives.

Patient safety measures, like those that I've had a chance to speak about in the Legislature quite frequently over the last several weeks, will dramatically enhance the amount of information that Ontarians have about how their health care system is performing from the standpoint of their safety.

You can look forward to initiatives that the Ontario Health Quality Council will be initiating that will substantially enhance the capacity of the health care system to measure performance, not just on the outcome, not just on the health experience, but also on patient satisfaction. I think that we're going to work very hard to give greater measure to the voice of the public in our public health care system.

At the heart of the things that I've been saying to everybody is that in a public health care environment, where there is no profit-and-loss statement at the end of the year, the confidence that the public has in their public health care system is the dividend payment. That's the measure of how we're doing. I think that's why we're very dedicated to enhancing the capacity to measure the satisfaction of patients in areas like home care. Clients in home care will have an enhanced opportunity to influence decision-making on the basis of the quality of the care that's provided; likewise, this will be occurring in long-term care, and also with respect to the patient satisfaction rankings for the performance of Ontario's hospital emergency rooms. Any successful business knows that to succeed, you have to listen to your customers. Well, for all of those who are privileged to work in a public health care environment, we need to acknowledge that patients aren't just those to whom we deliver care; they're actually our bosses. They own the public health care system, and we have more work to do to make sure that we're all operating with that perspective firmly in place.

I believe that the actions we've been able to take have instilled hope and convinced Ontarians that the improvements that they seek can be realized, that our collective aspirations are within reach. But I don't pretend on this point. I don't offer a simplistic bromide that says that everything is hunky-dory. There are lots of areas in our health care system where improvements have been made, and there are many areas where much more progress is still required. I think that this estimates process will give us a fantastic opportunity to speak about those things.

I think most people would share the vision of a health care system that wants to help people stay healthy, delivers good care to them when they need it and will be sustained for future generations. Since 2003, our government has taken some awfully substantial steps to strengthen our health care system and to instill greater confidence and to work in a fashion that can sustain it into the future.

For sure, now in my fifth year as Minister of Health and Long-Term Care in our province, I've had a chance to deal with a lot of numbers, and one of those that I think is really impressive, insofar as it underscores the extent to which Ontarians believe in their public health care system, is that our spending on health care in 2003 was \$29.3 billion and this year it's about \$11 billion more. Spending in the health care sector for this year is proposed to be \$40.4 billion, rising to \$42.4 billion in 2009-10 and \$44.7 billion in 2010-11. This demonstrates that even in challenging economic times, the commitment of the government to continue to support the things that people call for, which are enhancements to their public health care system, is there.

We remain very firm in the idea that the health care system that we all aspire to is within our reach. That's in part why we've distributed to members of this committee this orange document. We really think that the discussion with respect to health care, because it's so big and so much of it is clinical in foundation, sometimes runs the risk of leaving the public out of the conversation because the conversation might be about 1,000 things.

1620

But what I really want to let the committee know, and as I've had a chance to speak about publicly over the last little while, is it will take 1,000 different initiatives to make the progress that patients want to see in their public health care system. But our desire is to make sure that we focus key improvements in areas where the public really understands and where the public really has expressed a substantial desire to see improvement. We can fix 1,000 things in health care over the next three or four years, but if we don't create a better capacity to provide the services people want in our hospital emergency rooms and if we don't deliver family health care for all, then we will fall short; we will not meet the full test of the confidence that the people desire, demand and deserve to know about their public health care system.

We have two overarching priorities: to continue to reduce wait times, with a particular focus on emergency rooms, and to deliver family health care for all. I'll speak more about the family-health-care-for-all subject in just a minute.

I want to talk about emergency rooms. All too often, for Ontarians, it's been a door through which they go to gain access to health care—not always, if we're honest about it, the most appropriate place to go for care.

This week, as an example, there's been a little bit of a discussion—a debate and some media interest—on the issue about whether, in the future, pharmacists might have a broadened scope of practice that would allow

them, as an example, to renew prescriptions. We know in Ontario today that tens of thousands of people a year go to hospital emergency rooms to have prescriptions renewed. We all understand that that speaks to inadequate access for those patients. We also know that it speaks to inappropriate use of emergency rooms—not the best use of an asset that is designed to be there to address very urgent circumstances.

In order to make the improvement that we seek in our hospital emergency rooms, which had 5.6 million visits last year—about half of those, about 2.8 million, unique individuals. That's an awful lot of Ontarians, especially when you think that most people, at least from my experience, go to a hospital emergency room with at least one other person in support and sometimes entire families in tow. I think that's why it's very important that when we design a focus on improving the performance of hospital emergency rooms, we recognize that much of what must be done to improve that performance isn't about things that are taking place in the emergency rooms at all.

We have supporting strategies that give us the confidence that we can achieve a better result, things like our aging-at-home strategy, which we'll launch in just a few weeks and which I'll talk about a little bit more in a minute. To do a better job to manage the chronic diseases of Ontarians is to say that if we do a better job of focusing all of the resources and capacity that we can on those individuals, who by the nature of their chronic disease demand, deserve and require greater support, we can do that proactively and take pressure off our emergency rooms. If we do a better job in the community of supporting our Ontarians who are experiencing hardship associated with mental health or with addiction issues, similarly, we can get them better care and we can take some of the pressure off our hospital emergency rooms. Even as we admit that it's a door that many people go through in search of care, we must be honest in acknowledging that not all of the care that is sought there makes for the most appropriate place. We can do better in many ways. And the investments that our government contemplates in this year's estimates really do underscore how confident we are.

Our confidence too is certainly driven by the fact that we continue to have extraordinary leadership, gutsy leadership, from Dr. Alan Hudson. The Canadian Medical Association—which is not always, I'd say, a big fan of the health care policies of the government of Ontario—did give our team that has led the wait times initiative the best rating of any province in the country. We're enormously grateful to Dr. Hudson and we're grateful to the team of people.

On this point about team, what I know for sure, as a health minister with the perspective of now well over four years in this job, is that the health care system today has thousands and thousands of motivated and inspired individuals who are providing leadership in a wide variety of settings. On wait time initiatives, we've used coaching teams that have engaged physician leaders,

administrative leaders and nurse leaders to work on process, flow and all of those things that are necessary to produce the kinds of results that we have produced. When you look inside this report and see all the lines related to wait times headed in a good direction, you can gain greater confidence that bringing this award-winning team and the kind of cultural approaches that we've used to the issues with respect to our emergency rooms holds great promise for substantial progress.

Last week, we put \$109 million of new resource into this battle to reduce wait times in hospital emergency rooms. I think it's noteworthy that of that \$109 million, a very substantial portion, certainly the majority of it, is actually allocated outside of the hospital emergency room in building up the capacity of home care to support more seniors by giving an increased number of hours, as an example.

In addition, we're focusing some resources in a pay-for-performance model, by which I mean to say, you don't get to keep the dough if you don't improve your performance. We're going to work with a starting point of 23 hospital emergency rooms tending to be amongst the highest-volume emergency rooms, many of them being academic health science hospitals, where the performance, based on the waits that people are experiencing, really does call for some substantial improvement.

A major factor, of course, in long emergency room wait times is what has become well known in the vernacular of the health care world as the ALC patient—alternate level of care. To say it clearly in language that people understand, that's a situation that occurs when an individual is in an acute care hospital bed and would be better served somewhere else. It's costly for the health care system. It's also very discouraging for the health care workers. It's often discouraging for the individuals who are in that situation. We have lots of work to do in this area.

Luckily for us, under Dr. Hudson's leadership, we've been able to acquire the assistance of Kevin Smith, the chief executive officer of St. Joseph's hospital in Hamilton, with connections to St. Mary's in Kitchener. He's going to work very specifically on the issues of alternate level of care. Of the \$109-million investment that we made last week, a very substantial portion of that is to enhance the capacity to provide care for individuals in the most appropriate setting. Sometimes, it's about the steps that we can take to enhance the supports for individuals, who are exiting the hospital and preferably, going back home. In other cases, it's about the initiatives that we can make to support people where they are, in some cases to stabilize them in their home environment, preventing a transfer to the emergency room in the first place.

If we think about our population of vulnerable individuals in long-term care, I think the average age is about 83 or 84 years of age. This is not an age group of a vulnerable population already in long-term care—suggesting, of course, that they had some additional need. Transferring those individuals to hospital emergency

rooms is very often a hardship for them and creates great difficulty for the hospital emergency room to deal with, as very often they're grappling with a patient not well known to them who may have several underlying circumstances that must be diagnosed and addressed. We think that we can do better by supporting those individuals in the long-term-care home environment. That's why there's an element of that investment from last week that focuses very specifically on that.

I think one of the greatest pieces of policy promise in the health care agenda in the province of Ontario is the aging-at-home strategy. I just want to give a shout-out to all of those people, the thousands of people from the LHINs and from communities all across Ontario, who've engaged in dialogue.

There are a lot of exciting new initiatives that within just a few weeks we'll be launching in each of Ontario's 14 local health integration networks, all on the premise that we can do a better job to support our loved ones to age in the place that they know best and where they know love best, which is their home.

As a Minister of Health, I took a drubbing very early on—some people would argue, pretty much every day—but one of the things that I learned right from the clear expressions of seniors in the province of Ontario was that for them, the destination point in their minds is not long-term care. People acknowledge, of course, that it may be necessary and that in certain circumstances long-term care may be necessary for them. They don't want to see government acting in a way which assumes that that is their destiny. The aging-at-home strategy, in a vigorous way, embraces this independent streak: the desire to enhance the capacity of our seniors to live out all of their days, if possible and as preferable, in their home environment with dignity and with independence.

1630

I mentioned a moment ago that creating more capacity for home care is one part of that strategy, but the aging-at-home strategy will be about a whole bunch more: about helping to reduce the barriers that seniors may experience to stay in their own homes. One small but very powerful example of this is in our initiative to buy 100 Dodge Caravans and to place them at the disposal of community agencies, all across the province of Ontario, augmenting many existing drive-to-appointment programs. We're going to create the capacity for 135,000 more transfers between a resident's home and the kind of appointment they may need. This is one very good example of an aging-at-home initiative, of which there will be 260 across the province, that is really about knocking down the barriers. Some of them are about additional health services for sure, but some of them are about the things that you need to be healthy in your home environment. For some it's assistance with bathing, for some it's assistance with cleaning and for some it's assistance in going to pick up a week's worth of shopping or Meals on Wheels. There is a wide variety of the kind of supports that have the capacity as well to leverage the love of

community providers and the volunteers who work alongside them.

In the next four years, I'm enormously proud that \$1.1 billion in new resources will be dedicated to the idea that our seniors deserve the opportunity to live out all of their days with dignity and independence in the home that they know now. I just want to encourage everybody to keep their eyes open, because we're going to have very exciting launches all across the province of Ontario.

One thing which is a phenomenon associated with the local health integration network initiative is that LHINs engaged with their communities have chosen priorities, and they're not all identical. I think that the exciting part about that is that it sets us up for what I call a virtuous competition, where the people in Champlain LHIN may uncork a novel idea and the people in Waterloo-Wellington will say, "Hey, why not us?" The good news is that in the next two fiscal years, aging-at-home resources will continue to increase, so that an idea that is initiated or piloted in one part of our province can be grabbed hold of by the leaders in other parts of our province. That's a phenomenon that's possible because local health integration networks have come to life in our province.

When we look at combining the power of the aging-at-home strategy with the enhanced resources for home care that we announced last week to address the alternate-level-of-care patients, we really feel that we're getting at the heart of the matter, which is offering care to people in the most appropriate setting.

As the first overarching priority, we're going to drive results and enhance the performance of Ontario's hospital emergency rooms. I say this with confidence, but I'm not misunderstanding for one second; this is a difficult task and this is a task that people have grappled with to varying degrees of success. But we've got great leaders out there, and people have initiated models that give us a lot of confidence that we can make substantial improvements not just in the amount of time that people spend there but in the experience that they have while they are there. Patient satisfaction is not merely a measure of time; it's qualitative and quantitative. We seek to make improvements on each of these two parts of the experience.

The second overarching priority is a comprehensive family health strategy that gives us the chance to deliver family health care to all of those in Ontario who are looking for it. With a 13-million person population in Ontario, at any given time there are a few people who may be conscientious objectors to western medicine or there are some young folks who maybe aren't active in the search for a family doctor. But what we know for sure and what we've seen great strides around is that the number of people who are actively looking for a doctor is lower than the number of people for whom we got a doctor in our first term of office. That's why we're confident that over the next four years we can deliver family health care for all.

About two weeks ago, the Ontario Health Quality Council put out a report that I would encourage members

to look to. If they have questions, we can certainly use some of our time around that. It said that there are 400,000 people in Ontario who are actively looking for a doctor. That's a lot of people to be without a doctor, but consider that just three or four years ago, when we were discussing things like this, numbers like 1.6 million and 1.7 million were used. We know that with the strategies we have developed—like family health teams, which have provided care to almost 200,000 who didn't used to have a doctor; additional community health centres; our nurse practitioner-led clinics; and working with the physicians in Ontario, 83% of whom took on new patients last year—we've made great progress, and that gives us the confidence that over the next four years we can unlock what has been a challenge for some people in Ontario.

There is strong evidence of the results of our partnership with the Ontario Medical Association. The people of Ontario have contributed very substantially to enhancing the compensation rates for doctors in Ontario, but the great news for the people of Ontario is that alongside the increased compensation for the doctors was that 650,000 more Ontarians gained access to one. That's why we believe that we can deliver family health care for all.

Our confidence is also based on the fact that our campaign platform, and now our government's budget and the estimates that are before you, give us additional capacity for the creation of more family health teams—50 of them—and 25 nurse practitioner-led clinics targeted at those communities in Ontario that have the greatest burden with respect to people being without access to family health care.

In the slides, like the one that you can find on page 2, there's a one-pager on nurses, and there is a one-pager on page 1 on doctors. These charts show very clearly, if you look at the number of doctors practising in Ontario, that each and every year we've seen increases. If we look at the next chart in terms of the number of doctors—that is, those who will be graduating—the projection is for increases. If we look at the number of international medical graduates entering the Ontario physician workforce, what you see is that we've got tremendous additional capacity over what we had when we first came to this role five years ago.

If we look at page 2, on the nursing workforce, we see very substantial improvement in the percentages of nurses working full time. In the pie chart, we see that Ontario's nursing graduate guarantee has been one of the most remarkable program launches ever, and being copied by many jurisdictions around the world. Only one or two places in the world had even initiated such a graduate guarantee for nurses. We had all heard that sad story where we need nurses and then newly graduating nurses wouldn't transition to opportunities and would go looking to other jurisdictions for them. I don't pretend that the whole situation is perfect, but last year, with the new-graduate guarantee, 86% of those nurses gained access to full-time employment.

We know that we can do better, and we especially have to do better for registered practical nurses, who, in

the field of nursing, did not experience as much success with the program as the registered nurses do.

If we look to the other chart, "Nurses Employed in Nursing in Ontario," this is data supplied by the College of Nurses of Ontario's annual membership stats. There is no perfect measure of any of these nursing numbers, but this is widely viewed to be one of those that is most accurate. It makes no argument but that there are more nurses practising in Ontario, and over the next several years we have \$500 million to invest towards hiring 9,000 additional nurses by 2011-12.

The most revolutionary change that we've seen over the last few years is the evolution to team-based care. We have, in my critic from Nickel Belt, a member who was once the executive director of a community health centre. Our family health team initiative, which has seen these remarkable family health teams come to life in all parts of the province, is built on many of the kinds of ideological or clinical underpinnings of the community health centre model, based on the idea that a team of people working together is better for the team than to be working in isolation and better for the patients insofar as offering them the kind of comprehensive care that can really enable the best-quality health care.

I just want to say that when we first launched family health teams, a lot of people said, "These things aren't going to be successful. Doctors don't want to practise in them." To the contrary: We're overwhelmed, really, with the requests for more family health teams, and also, from those which have already been launched, for them to continue to grow. We're just so grateful that the physician community in our province has responded so positively and, alongside allied health professionals and nurses, is making such extraordinary progress.

1640

In conclusion, and in anticipation of the opportunity to listen to or perhaps to answer some questions, we look forward to the next nine and a half hours to talk about the things that we've done, the progress that we've made and the resources that are embedded in our budget to allow us to deliver, on behalf of Ontarians, two things that are really important to them from the standpoint of the confidence that they enjoy in our public health care system: reduction of wait times, with a particular focus on emergency rooms, and family health care for all.

The Chair (Mr. Tim Hudak): Minister, thank you very much for the comprehensive introductory comments. We will now proceed with the official opposition. You have 30 minutes of time.

Mr. John O'Toole: Thank you, Minister, and your staff, for a very comprehensive, free-moving introduction to probably the most important—in fact, it is the most important—issue facing all Ontarians.

I first want to express my regrets or apologies that our critic, Elizabeth Witmer, who has served as a very caring health minister as well, isn't able to be here today and reluctantly has asked me to pass on these remarks here. She's actually given me a few questions.

I listened to you, and you mentioned several things that are quite pertinent to each member here, because

health care is the number one priority, regardless of the ideology you represent, the community you represent, the area, the geography—whatever. It's number one, not just in how much it takes to finance the right things, but also in how it affects our lives day to day, whether it's organ donation, out-of-country service—you name it. The rising costs of things are something of a challenge, and, more recently, the technology question as well, the health privacy issue—huge. You'd have to have Ann Cavoukian come in here to talk to us about that.

But I want to talk about my riding of Durham. I want to express a great deal of thanks to the community I represent. Last night, I attended a meeting in my riding of Durham and heard many of the things that you've talked about today. At that meeting, I can tell you that I had what I'd call the leadership group representing the Uxbridge Cottage Hospital, of which, Minister, you would know. I've written to you on this and you have written back, thank goodness. Just to put it on the record, I saw Janet Beed, who is the president and CEO of the Markham Stouffville Hospital, which is actually the site with multi-sites. One of their multi-sites is the Uxbridge Cottage Hospital.

The issue has been around for a couple of years. In fact, it came up prior to the election last year, because the cottage hospital in Uxbridge is a new part to my riding. Prior to that was Wayne Arthurs. It's unfortunate that Wayne is not here today on this committee. He was sort of missing in action a bit. Not to be critical of Wayne; I know him very well, but it almost got ignored.

I want you to understand the context here, because the cottage hospital in Uxbridge is geographically in the Central East LHIN, but its parent hospital, its funding centre, is in the Central LHIN, so both LHINs were represented at the meeting. In fact, Hy Eliasoph from the Central LHIN—he's the CEO—and Deborah Hammons, CEO from the Central East LHIN—she's new there—were both in attendance, as were the chief of medical staff, Michael Damus, and the chair of the Uxbridge physician recruitment and retention committee, Roger Peirson. The municipality of Uxbridge was represented by Howie Herrema, who's a councillor. Mayor Bob Shepherd asked him to sit in to sort of depolarize the tone.

By the way, Minister, the tone of the meeting was extremely good, and I'm going to cover a bit of it. I hope this helps you on the ground, not at the 40,000-foot level, which you're speaking from; right on the ground, at this level.

The community wants to find a solution, but they don't want to lose their hospital and the H, that 24/7 coverage for emergency critical care. But it all fits together, and you'll see this shortly in the small bit of time that I've been given.

Tracy Evans, a young person who's the president of the Uxbridge Cottage Hospital Foundation—let's put it this way: 300-plus people were there. It was a very peaceful, very respectful meeting, with these leaders representing, basically, you, because you fund it all; let's

face it. Maybe there's not enough, but that's a different question, I suppose.

I would say that in the opening remarks you made, you did mention a sum. You talked about your disappointment last year. You talked about patient-centred care. You talked about emergency rooms, which is what this is about, and the AFP issue, the alternative funding thing, and the ALC thing as well, alternative level of care. It all fits into this, and you know that as well. The aging-at-home strategy and the announcement you made last Friday of \$109 million—there wasn't one nickel for this area to solve this problem. One of the emergency rooms—and I've talked to you for two years; you've been there, Minister, for too long. By the way, I have to just stop here for a minute before I get totally wound up.

Is there any truth to the rumour that you're going to run for the mayor of Toronto?

Mr. Tim Hudak: Now, hold on a second. We do have the estimates of the Ministry of Health—

Mr. John O'Toole: I'm just trying to slow down the tone here a bit. He's not paying attention. See, he's turned his back on me right now, in the meeting.

The Chair (Mr. Tim Hudak): Mr. O'Toole, you have the floor to continue with the health estimates, please.

Mr. John O'Toole: But there were a couple of things there. The international medical graduates—that was part of last night—and the CHC, the community health centres—I'm a big believer in them. There was a meeting yesterday when I believe your people were there. Foster Loucks from the Central East LHIN was there, in Brock township. They're on track for a community health centre. One in Oshawa had a celebration this week, as well as in south Oshawa. So we're not off-side on the direction at all. In fact, Janet Beed, I thought, set the tone of the meeting last night very professionally. The fact that she's legitimized in her opinions, not politicized, like perhaps George or I—any of us would be political, I suppose. She talked about health transformation. This is the right theme. This is the theme. I'm not sure all the pieces are here. George is dropping a few of them here and some money here and there, but she talked about the transformation with respect to drugs, surgical techniques and technology. The missing piece here is the e-health piece. The transformation agenda and the seamlessness of the LHINs will never work until you get that piece solved. There are a lot of people in the big debate about who owns the patient record stuff—very important legal. The doctor owns the record and the pharmaceutical companies want it to do baseline studies and things. But she gave a very thorough and comprehensive overview of what kind of leadership is required to really transform health care.

The key piece we sought in the Health Services Restructuring Commission—some of you weren't here, and I understand that. I was on the region's health and social services committee back in the 1990s. They had a thing called a capacity study—acute care study; that's what it was called. The deputy would probably remember

this. Well, you weren't there either, but you would know it in the history. It was looking at capacities in the hospitals. It started, actually, under the NDP, the capacization study of hospitals and acute care facilities and their responsibilities.

So this transformation agenda is long-standing. We're not even halfway down the road yet. Scope-of-practice issues: You just talked about druggists doing certain things that doctors do—sign that prescription so that you can renew your Lipitor or whatever it is. It's just a waste of time. This is leadership—when you make those changes, you start tinkering with scope of practice, the professionals will line up and you'll be running for mayor of Toronto sooner than you think, because if you take them on, George, that's the deal, the scope of practice for nurses and that—

The Chair (Mr. Tim Hudak): I'm sorry to interrupt at this point—

Mr. John O'Toole: This is all going to come down to a series of questions in the last minute.

The Chair (Mr. Tim Hudak): I would ask that you use "Minister" or "Deputy Minister," depending on who you're directing comments to, as opposed to a first-name basis, and I expect the Minister then to refer to—

Mr. John O'Toole: Okay. I get a little bit emotional and enthusiastic and I hyperventilate, perhaps.

Hon. George Smitherman: You know what that leads to.

Mr. John O'Toole: Wait just a minute now, George. It's my time. We'll give you one minute to answer because in question period—he's very good on the file. I have to admit, there's hardly anybody in the room other than the staff behind him who write the answers for him, which is fine. We don't have that kind of luxury.

Also, I have to say—and these are mostly compliments—that the LHINs do talk about integration and seamlessness, right from the acuity level to the long-term care. The transformative agenda of the people who man our ambulances and emergency vehicles—that is part of the health care team now. The young doctor, Dr. Damus, was talking about the problems in emergency—and I'm going to get down to more specifics as opposed to the broad generalizations. One of the problems that I see right now is the alternative funding payment for emergency room coverage. That's pretty important. He said that in that hospital, which is mostly rural, probably a population of around 20,000 and pretty close to Southlake, which is a cardiac hospital, and pretty close to the Markham hospital site and pretty close to Lakeridge really—50 minutes, 40 minutes, somewhere in there—there is only one doctor. They have a doctor shortage—physician recruitment. They have four international medical graduates coming this summer, but they can't work alone. They need some peer mentoring of that going on, which you mentioned in your remarks too.

1650

I think if you looked site by site, you'd probably come up with some relief, and that's really what I'm appealing to you for. The alternative funding plan—there are

physicians who live and practise in Uxbridge who are actually driving to Ross Memorial Hospital in Lindsay to work in emergency when they can't fully staff the emergency at the hospital in their own community. The reason why? I've asked respectfully, and they said they're not paid enough. They don't say it in that crass sort of way, that it's all about money, but it's their time that they're actually—work is selling your time. Hopefully you're an engineer or an astronaut, but work is selling your time. So they're going to Ross Memorial, where they're not alone. There are other specialists working alongside them so that if they get into a heavy case, cardiac arrest or some major deal where they maybe don't have a lot of experience, they like to have other peers around them.

So what they're saying and what they're asking for—the reason they can't recruit is because they are expected in the community to work in emergency, so there's a bit of pressure when they move in: "How come you're not doing your duty in emergency?" They're already short four physicians, and in the interview process, they say, "Would you be prepared to work in emerg.?" Many of them may have personal reasons that they don't. Now they have these four international medical grads who are planning to come some time in the summer, I think July, right after they've finished their training. There's a case there. Right today, Minister, with the power that you have at the cabinet table, you could look at that AFP. It's not a million-dollar question, George. I looked at the \$109 million that you announced—

The Chair (Mr. Tim Hudak): "Minister."

Mr. John O'Toole: Minister; pardon me. Respectfully, Minister Smitherman has been here so long that it's almost like a first-name basis, but soon he'll be in Toronto.

Anyway, the \$109 million—I looked at it and I checked the list. I've got the report. I checked the list, there wasn't a nickel in there, but when I checked the actual budgets, Markham-Stouffville had a deficit. Now there's this Bill 8 where hospitals are required to have a balanced budget or cut service. You don't like to admit that, but that's what it is. It's "Don't blame me. Phone the LHIN. Don't call the Minister of Health." It's sort of an arm's-length, "Out of my control; it's in the courts; I can't talk about it" kind of answer that we get in the Legislature. I'm saying today that I was disappointed in that \$109 million.

Part of what you said earlier was in that, which came to the other points you were making. The ALC, alternative level of care, is part of the aging-at-home strategy. We've got to get either more long-term-care beds—and that's an argument about how many hours of care—it's all payroll; a huge issue. Aging at home is better. Supports in their community or in their home are very good. Community care already does Meals on Wheels, foot care and other things. I think that's something I would support: encouraging families to have the responsibility as long as some of the supports in the community are there. You can't possibly coordinate the logistics of—I have power of attorney for my mother-in-law. She's 90

now. She probably could have stayed in her home with some supports or some respite money, some directed funding—the son or daughter can't quit their job and take care of them at home. But they just need some supports, maybe for shopping, a bit of socialization, day programs and things like that to keep them active and keep them healthy; that's what's needed. It's better than an institution. A long-term-care solution is one of the—depending on the acuity level or the support level. In my riding—and all of us have the same issues—it's another growing issue, and I don't see a strategy there. Aging at home is part of it, but there's no money there that I see for long-term care. I guess chronic disease might be part of that.

I look at it—it's a very large ministry. Respectfully, Mrs. Witmer, when she was Minister of Health, brought a lot of compassion. She had the nursing strategy and she changed the scope of practice for nurses, nurse practitioners. When Jim Wilson was the minister, he got into trouble with the doctors a little bit but tried to change a few things in there.

You say that you're taking charge of this. These are all good ideas, but the ministry people are doing it. The people sitting behind you are actually doing this stuff. They need your leadership to make it happen. You didn't start family health teams; they were called family health networks. This is a fact. They were the same thing: collaborative health, working teams, nutritionists, pharmacists and the rest of it. I was there. I was PA to the Minister of Health for a couple of years, and it was a great ministry to work in. I was there when—this is a true story; I have a picture to prove it—in Thunder Bay, we had the first family health team. What did we call them—teams? Family health networks was our name for them. Do you know who the first one was? Dr. Neil McLeod.

Interjection: Lyn's husband?

Mr. John O'Toole: Lyn McLeod's husband was the first physician to sign on to the—it is rostering. You get so many patients; that cranks out so many monies; the doctors get that.

The issue there was how that didn't work, and they've worked on that. They have actually engaged nurse practitioners now as the front-end piece to that; the doctor's role becomes more of case management. So, actually, you're on the right track there, George. It's a plan we started. Imitation? That's fine; I have no problem with that. I think it's a good idea if you keep moving along on it. But it's the ministry people who are moving it. You're steering it; you're providing leadership. McGuinty is not providing quite enough money, because pretty well every hospital is in deficit, not just in Markham-Stouffville and Uxbridge. They're pretty well all in deficit; they are. Lou, in your hospital—I read the papers, I watch the news.

Lakeridge Health, which is the primary centre, is in a deficit. There's also a huge thing in mental health now between Lakeridge Health and Rouge Valley, moving 20 mental health beds—the most vulnerable people. Christine Elliott is doing a great job and, in fact, the Liberal members there—Joe Dickson has been very

good. He knows that you made a mistake on that one. I'd go back and fix that one as well, George—

The Chair (Mr. Tim Hudak): Minister.

Mr. John O'Toole: Pardon me—Minister. I'd go back and revisit that.

I just want to get back, with the few minutes I have left, to the alternative payment plan in emergency, something you can look at. Look at each individual case; don't get the one-size-fits-all thing just based on volume. Here's the deal: It's the wrong place to get service in emergency, unless it's serious. You shouldn't get your prescriptions renewed there, or a scrape or fall or a runny nose. It's for serious challenges.

If you look at Ross Memorial Hospital, they have 35,000 patient visits. I wonder how many clinics they have for drop-ins? That would skim off a lot of the volume, which would lower their pay. That's why the people—doctors, in some cases—are driving from Uxbridge to Lindsay to work in emergency. They have more supports there as well.

I just wanted to thank the community. That's why I'm using up this time here. I hope I leave you a couple of minutes. But that is important for you to know first-hand. There was a big meeting last night. There were headlines on it:

"The June 3 meeting, to be held from 7:30 to 9 p.m. in the ... community centre ... , will feature a number of hospital figures who will 'lay out the situation ... ,' the mayor said, adding the public will have an opportunity to ask questions...."

The questions were really—this might be one question, provided you don't give me as long an answer as I do the question. Because George, he gets the clock—

Interjection.

Mr. John O'Toole: Pardon me—the Minister of Health. Once he gets the ball, I'll never get it back.

The issue there was if it came down to someone needing a cardiac intervention of some sort. The patient lives and receives service in the Central East LHIN. The funding that moves from Markham Stouffville to Uxbridge would actually go through—and I have verified this as well, Deputy. The money actually flows through Markham Stouffville through the Central LHIN, but the population-based deal of the future—you're going to have population-based funding, I hope, HBAM? Aren't you moving towards that? Hopefully. What if they have a volume issue, and the person has a cardiac arrest in Uxbridge and they want to transfer them to Southlake, and Southlake says, "Wait a minute, here. We've only got funding for 1,500 procedures" or whatever it is? How do we solve these inter-LHIN dispositions? This is a huge issue, and it always has been—the way hospitals are funded and the way they guard their funding—and I can't blame them, because there's not enough money, and we know that—even with the health tax, which is about \$2.5 billion.

1700

"Why isn't it all going into health care?" is my question. Could you answer that? How would they handle that transfer between LHINs?

The Chair (Mr. Tim Hudak): This is to the minister?

Mr. John O'Toole: Yes, to the minister. It's a very technical question—

Hon. George Smitherman: Oh, not really. Firstly, I want to say thank you for your acknowledgement that anything that is good that occurs is because of the team at the Ministry of Health, and I look forward to being able to depend on that later on, when you get into saying it associated with—I'm just kidding. But there is an impressive team of people from the ministry just chomping at the bit to have an opportunity to answer some of the questions that you raise, and that will come as well.

LHINs: For a couple of reasons, the example that you pose isn't actually such a big problem for the health care system. The first reason is that LHIN boundaries right from the get-go were determined to be porous from a patient standpoint. For instance, my mother lives on the mountain in Collingwood. She lives on the edge of the South East LHIN, quite close to the North Simcoe Muskoka LHIN. She gets her care in Mississauga Halton LHIN at the Trillium hospital. She makes those drives, and that's where she gets her care. There's no problem with that.

On the issue of cardiac, firstly, if you look at the wait times, the cardiac wait times are really very good, which is telling me that there is very good access to cardiac procedures. Even on some things like angioplasty, some people are beginning to argue that there's actually too much capacity. So the cardiac capacities seem to be very, very good.

But at the heart of it, really, is just the idea that, for the purposes of serving patients, the boundaries are porous. It's not to say that we're not encouraging a health care system where you do get your care closer to home, and HBAM, as a matter of principle, helps to back that up. The aging-at-home allocation, I'd say to the member, is an example where \$1.1 billion is all allocated under an HBAM model, which takes into consideration not just how many people live in a place but how healthy they are and what the existing array of services is. It is sophisticated, albeit sometimes a little bit difficult to communicate.

Mr. John O'Toole: Well, that's very good. I appreciate that very much, Minister. It's a pretty straightforward answer.

It does raise, as a debate sort of thing, the long-standing issue in GTA/905 hospitals. All of them have some stress; you'd appreciate that. The GTA/905—and you've admitted that there is some truth to how they're \$200 per person short compared to other hospitals. It affects members on the other side of the table here as well that all we want is fair funding based on—I suspect we all realize that there's a limited amount of resources. That could be debated, I suppose. But how quickly are you going to make up that gap? This is very critical, because Lakeridge did some preliminary assessments on it. They've struggled; they've had a carry-over deficit. Most of them have had an operating deficit from living on cash

flow, basically, for some time. They just can't seem to get out of the hole.

What are you going to do to get back to a fair starting line on that short funding in the growth-area hospitals? There was a bit of growth money in your last piece. There was a bit of the HBAM money in the last piece. What's your goal there to get equal, fair funding for every person in Ontario?

Hon. George Smitherman: There are a few things. Firstly, you've said twice now that most hospitals are in deficit etc. That's not backed up by the facts. In fact, at the last full year of consolidation, when you brought all the information on the 157, I think it was, independent health corporations, the net surplus was \$292 million. You hear the story about the deficit, of course. That does come up from time to time. But the story overall with respect to hospitals when they're all brought together is that they have a substantial surplus.

Secondly, I think it's important to point out—maybe perhaps particularly to you, given your history—that every hospital in the province of Ontario has received more money each and every year, and they know years in advance what their budgetary circumstances will look like. Those are contrasts to the performance of prior governments on both of those points.

Certainly, to operate a hospital, whether it's in the highest-growth area or any other, is particularly challenging. But I just remind you that the number of people in an area is not the only thing that dictates the requirement for health services, because not all groups of population are experiencing the same health circumstances. The Chair comes from Niagara, which has a very high proportion of seniors, as an example. The north has its particular challenges. We have to be careful not to make everything on the basis of growth and ignore the principles that you've raised with respect to HBAM, which takes into consideration the health of the population.

I think that the biggest thing that contributes to addressing the growth is building. That's why, if you look at a map of the 905, which has certainly been the highest-growth area in the province of Ontario—a few other places in the province peek their noses in, but substantially it's been in the 905—go hospital by hospital by hospital. Do the map in your head. Start at the Trillium hospital and go up to Credit Valley and then into Brampton, then take a look at the circumstances that we're facing in Vaughan. Go on-site today to Richmond Hill and to Newmarket. At each and every one of these places, there's either a crane there, the crane just left or it's about to arrive. Markham is an example of that multi-hundred-million-dollar investment coming. At Lakeridge, we've had a new cancer centre open quite recently. Of course, even in Ajax, which some people would make seem like it was about to close—that's not our record, by the way; we've closed no hospital—there's a \$100-million investment underway as we speak at the Ajax hospital.

I do think that the biggest thing that influences the dollars that you want to see spent in hospitals is to build

the capacity for them to deliver the services, and the 905 is having a hospital building boom. If you look just at the flow of resources to hospitals this year, you see a huge influx of new resource into Brampton, because we've recently completed and opened a new hospital.

Mr. John O'Toole: Well, I appreciate that, and, again, you're exploding with information, which is great.

The other thing too is the maturing role of the LHIN. We'll have to see if it is another level of government or just a screen, but the mandate as I see it is the rationalization of service, which becomes very controversial. You cut out pediatrics, or a program, if you will, out of one hospital because of what you said earlier—the volume issue. Because there's this great perception that every hospital does everything, really. This becomes, for each of you, and some of you who are new—if they pull a pediatrics program or a birthing program out of a hospital, they just flip out. The doctors do as well. They usually like a full-practice hospital to work in.

So, can you clarify, for instance, the capacization and rationalization of hospitals within a LHIN?

Hon. George Smitherman: Let me say two things. Firstly, I think that you acknowledged, in the lengthy report—appropriately so; don't misunderstand me—that you gave from the meeting last night, that one person of authority after the next from health care was there and engaged with a local community. That's the best evidence. You've offered the best evidence that's available, as far as I know, for why LHINs are important.

I never pretended about this idea that LHINs were going to create some protection. When people go to vote in provincial elections, you know it and I know it: Health care is one of those things that's top of mind for them, and LHINs are not. You're not going to alter that. But we do believe fundamentally that allowing that conversation to take place locally is going to give you the best outcomes.

Rationalization? I don't use that word and I don't instigate those policies. That's the kind of word that's a hangover from your time in government, and the evidence of it is clear. In my community, where a hospital once stood, there are now condominiums. In Whitby, where a hospital once functioned, there's now a scant memory of those days.

Rationalization, though, just to use the point that you raised—of course if there's an obstetrics unit that's at risk of being moved from a hospital, there's nothing more emotional in a community like that. I've had to go into some small communities and say, "You used to do 450 births in your hospital and now it's 80." If you're giving advice to a mom about where to have a baby, the best clinical advice is to not go and have a baby at a place where they do it very infrequently. So there is always going to be a tension around trying to make sure that the program where you're going to seek the service does enough; that they do it well and safely. I know that's a tension point that is not going to go away, for sure.

1710

The Chair (Mr. Tim Hudak): We have time, Mr. O'Toole, for one quick question.

Mr. John O'Toole: Thank you. One little observation first. This goes back to my first instructive observation from the acute or capacity study that was done in the late 1990s and the Health Services Restructuring Commission's mandate to look and say, "Where are the centres of excellence? Let's build a clustering effect." This is all a continuous process, whether you're there or I'm there. I'm just saying that the rationalization—it may be a bad word, but capacization is what they were talking about in 1994: How much capacity for what types of service? With an aging population, Minister, I still think that the technology question is the biggest one.

The Chair (Mr. Tim Hudak): We'll have to leave it at that, Mr. O'Toole. Thank you for your time.

Interjection.

The Chair (Mr. Tim Hudak): Mr. O'Toole, your 30 minutes have expired. We move to the third party. Mme. Gélinas, the floor is yours for 30 minutes.

Mme France Gélinas: Thank you, Mr. Chair. I must say that it is my first time attending the Standing Committee on Estimates, and I am quite impressed by the quality and breadth of knowledge of the people who are in this room with us this afternoon, and I hope to take full advantage of all of that knowledge.

I listened attentively to Minister Smitherman telling us about the two priorities of his government: family health care for all and decreased wait times. I thought I would start by outlining the priorities for the NDP, for my party. It's basically at the core of what we do. We believe in medicare. We believe in publicly funded health care services delivered based on needs, not on the ability to pay. We believe that one of the best ways to ensure that medicare is there for generations to come is what we call the second stage of medicare; that is, to make sure that investments are there in health promotion, primary, secondary, tertiary and prevention, including chronic disease management. So my questions will follow with our line of priorities.

The first priority for us is access to primary care, so everything that has to do with primary care. In primary health care, I should say, we certainly include health promotion. I realize that we now have a Ministry of Health Promotion, so some of this won't be covered here, but we are also interested in disease prevention and chronic disease management and the investments that were made there and what kind of results we can expect; a special interest in community health centres, aboriginal health access centres and community family health teams.

Our second place of interest is in home care. As Minister Smitherman alluded to, we believe that when you ask people where they want to go as they become frailer, they want to stay home. In order for that to be possible, we have to have a robust, publicly funded, publicly delivered home-care system. This is what we believe in, and we will be looking through the estimates and the budget to make sure that those kinds of services and programs have been delivered and delivered effectively.

Another area of interest for our party is long-term care. I know that I have asked quite a few questions in the House about this, but it basically comes down to: The acuity of the people who live in long-term-care homes is such that their level of care—and I will use a case mix index—has increased dramatically, which translates to higher needs, which translates to more need for hands-on care. We're really interested in achieving what we see as a reasonable average of 3.5 hours of hands-on care. So there will be questions regarding this.

Moving on: A commitment to public health is something that is also of interest to us. Here again, I've talked a little about the number of public health units without medical officers of health or acting or temporary etc., as well as the commitment of the government in general toward public health, and, here again, seeing how the investments have really made steps forward from what we learned after SARS—the after-SARS public health in Ontario. Of course, you can't come to one of those without talking about hospitals. They are such a big part, budget-wise anyway, of what the health care system is all about. We're specifically interested in the increased cost of drugs within the hospital sector. You can expect some questions about that. We also have some great interest in the different health care professionals, and we're talking here about expansions of scope of practice as well as new health care professionals joining in.

Those are the priorities for our party, so you can expect questions. Those of you who are not with this, you can rest in peace and say "Phew," and the rest of you—well, you can start reading your notes.

So, if I'm allowed, I would start with the first question, which is not going to surprise anybody—something that is very near and dear to my heart, and this is community health centres. Certainly, when I left the movement, we were 54 community health centres, with a promise of 22 new ones; there were 10 satellites with a promise of 17 new ones. My first question is simply: Where are we at?

Hon. George Smitherman: Thank you very much. Basically, we're in the midst of doubling the number of community health centre entities. Some are full-blown, if you will; some are in hub models, as you've seen emerging; and some are satellites. We're in the midst of doubling them. So we will end up at about 100. There are 28 of those that are not yet operational, and we're working diligently on bringing them to operation at present. We would anticipate over the next year or two that all of those would be operational.

Sometimes I go on, so I'll try to stop and you can reload.

M^{me} France Gélinas: That's okay. So if we take them one part at a time, you announced a three-year plan that would see 22 new community health centres. Out of those 22, how many are operational as of now?

Hon. George Smitherman: We did investments in community health centres in waves. I don't have them all separated out in my head that way, but we'll be happy to show you exactly, from which wave of announcement, the status on each of those. I'm not sure if we have that at

hand, but we'll certainly give you a chart that will show exactly the status of each of those from the wave that they were announced.

M^{me} France Gélinas: Okay. I find it a little bit puzzling that if I look into this little book here, on page 144, we can see that under "Community health centres" the estimate for 2007-08 was \$190 million and the estimate for 2008-09 is also \$190 million. How do I reconcile the fact that the numbers are not all up and running? There will be more, yet there are no new resources?

Hon. George Smitherman: Actually it's because the number—the \$190 million—was never spent. It's in the estimates, but because it contemplates all of them coming to life, and they didn't, the \$190 million stands up as the number for the next year because we have an understanding of what the actual expenditures were. So the amount that's in the estimates provides for the coming to life of those, which are practically going to come to life in this fiscal year, and this amount will cover them all.

Very often you're in a situation where, at the beginning of the year, you say, "Okay, we're going to say '\$190 million for community health centres.'" But if 10 of them don't open their doors and we anticipated that they would, obviously we don't get up to that number.

M^{me} France Gélinas: I understand that, but it shows in the interim—2007-08—that they spent \$188 million. It now goes to \$190 million, which is only a \$2-million difference, when you just said that there were 29 community health centres that are not up to par. Two million dollars and 29 community health centres doesn't quite—

Hon. George Smitherman: Firstly, I said 28, and I did say, also, over the next year or two. So I don't think that we'd be anticipating that all of them would be functional in this fiscal year. I'm not sure if the deputy has any—I'm not looking at the—

Mr. Ron Sapsford: What's the page number?

M^{me} France Gélinas: Page 114.

Mr. Ron Sapsford: Page 114. Thank you.

M^{me} France Gélinas: Sorry.

1720

The Chair (Mr. Tim Hudak): The 2008-09 results-based plan briefing book?

M^{me} France Gélinas: Yes.

The Chair (Mr. Tim Hudak): The member's referring to page 114?

M^{me} France Gélinas: Yes, I am.

Mr. Ron Sapsford: It's a flat line. It's the same number year over year. There was a slight underspending for the interim actuals, so the increase for the year is the same. There is no additional increase; rather, we'll implement additional CHCs, as the minister has indicated, within this fiscal target.

M^{me} France Gélinas: Is this the same thing as saying that there's not going to be new money to fund the new CHCs?

Mr. Ron Sapsford: Correct. This number is flatlined for the year, so there has not been an additional allocation.

Hon. George Smitherman: I understand your point. I don't know the full answer, but the actual expenditure

could be representing one-time expenditures in the 2007-08 fiscal year. I understand exactly what you're saying; that it would seem that the budgetary difference between this year's estimate and last year's actual doesn't allow for new CHCs to come to life.

M^{me} France Gélinas: You've got it.

Hon. George Smitherman: It could be that there's a one-time expenditure or some other explanation. We'll seek to get you a more thorough answer on that as we move forward over the next few days.

M^{me} France Gélinas: This is a big book and I'm not that good at looking through it, but I did my best. Can you tell me what some of the obstacles are in terms of capital funding for the new CHCs? I know enough from the field to know that some of them need capital in order to be able to exist. What are some of those challenges?

Hon. George Smitherman: You will know that there are some community health centres that have been seeking capital resources for a while, and you'd also know that there are a certain number of them that are getting resources in any one year. But we also have a mechanism whereby leased space can accommodate the emergence of community health centres. I'm not sure, but I believe that the satellite that I attended the opening of while you were still the executive director is such an example, where the base budget of the organization is able to sustain leasehold space. So a combination of those strategies is what enables community health centres to come to life.

We might be able to give you some information about the capital expenditures that are on plan with respect to community health centres. I don't know if we have that at hand, but that's information that we could certainly dig up.

M^{me} France Gélinas: Do the capital expenditures come under the Ministry of Health estimates?

Hon. George Smitherman: Yes. The Ministry of Health, of course, has a partnership with the Ministry of Public Infrastructure Renewal on some of the biggest projects but maintains a capital budget which allows us to use a traditional method of capital funding, and community health centres fall under that.

Mr. Ron Sapsford: So we will build both at the same time, in terms of the implementation as well as the capital.

M^{me} France Gélinas: Along the same lines, again with community health centres: Certainly, we all agree that community health centres are really good at providing care to people who have barriers to access, but the Ontario Health Quality Council's last report also praised them for ensuring that all recommended interventions are provided. They were speaking specifically about coronary heart disease as well as diabetes. Given that and given the importance of chronic disease management, can you talk to us about the percentage of clients who are receiving care through community health centres?

Hon. George Smitherman: What percentage of the population in Ontario is receiving care from community health centres?

M^{me} France Gélinas: Yes.

Hon. George Smitherman: I think it's approximately 300,000, but that's from memory. We'll seek to get that back to you.

If you remember what I said before, the family health teams find much of their model in the community health centres. We believe that to address the kind of challenge that the Ontario Health Quality Council lays down, our obligation is to try to move all primary health care environments to a greater degree of comprehensiveness, comprehensiveness being the opportunity to support people well, especially those with chronic disease.

So between community health centres, family health teams, nurse practitioner-led clinics and physicians—who are, for example, piloting shared care with other allied professionals—we're trying to evolve the whole field of what I call "family health care" to a more comprehensive model.

We believe that community health centres play a particularly powerful role in certain communities where the underlying challenges in those communities are intense, but we see them more as a resource to be deployed in those particular underlying circumstances and the values of comprehensive care being expanded across the platform of family health care environments.

M^{me} France Gélinas: When you say "comprehensive care," do you have in mind interdisciplinary care?

Hon. George Smitherman: Yes.

M^{me} France Gélinas: You do.

Hon. George Smitherman: Yes. The reality is that, because family health teams are dealing with hundreds of thousands more—I can't remember the numbers; I think it's 1.3 million or 1.6 million people who are receiving their care from family health team environments—we've obviously made pretty good strides at expanding for Ontarians access to comprehensive care. I know that you talked about the second stage of medicare and the ideal that Tommy Douglas spoke to. I'm pretty sure that in the last four years we've made the biggest strides in that regard in the history of Ontario.

M^{me} France Gélinas: We'll be checking that out.

My second line of questioning is about AHACs, aboriginal health access centres. I don't know if you remember, but at the end of April I asked you in the House if you could look at funding for AHACs, and you responded by saying, "I will take a good hard look at the situation raised by the association of community health centres ... and I will endeavour to get back to the member and see if there are adjustments that are necessary."

I understand the AHWS strategy and I understand your ministry is but one part, but did you have a chance to look at the funding? Certainly the salaries for nurses, dietitians, social workers etc. in AHACs compare to other primary health care models.

Hon. George Smitherman: I'm not certain if that review is completed, but I did have a chance at the recent annual meeting related to all the participants in the AHWS strategy—our ministry had put forward an increase, in-year growth, for that AHWS strategy budget, but we can't obligate them to flow the money to those

elements of the AHWS strategy which are part and parcel of Ministry of Health programming. So we've identified the issue and we're working at it, but I'm not sure that it's entirely resolved.

M^{me} France Gélinas: Did I understand well that you make resources available, but we don't—say that again. We don't know where they're going?

Hon. George Smitherman: I'm sorry, yes. The AHACs are funded through the AHWS strategy, and the government of Ontario has a lead ministry for AHWS—that's community and social services—and several government ministries make a contribution to the AHWS funding. The Ministry of Health offered inflation protection. I can't remember the number, but we offered some inflation protection for our AHWS investment for this year, but we can't obligate the strategy to spend that money on those Ministry of Health-type programs. So the AHACs have suffered somewhat, or to the extent that they have, because they have been separated out from the Ministry of Health from the standpoint of funding decisions. I've sought to try to make sure that when we make a decision about community health centres, it impacts the AHACs because obviously they're so similar. I think that through the course of these estimates we'll show you the progress that we've been able to make on that point and identify where challenges and differentials remain.

M^{me} France Gélinas: Okay. So the salaries for nurse practitioners, let's say, are not set by the ministry for the AHACs?

Hon. George Smitherman: I'm not sure on the particular issue of the nurse practitioner, but the dollars that flow to the AHACs flow through the AHWS strategy, and the Ministry of Health cannot direct those. But that question that you ask is part of those which I'll have to get back to you on.

M^{me} France Gélinas: Okay. So I'll be getting more information on it?

Hon. George Smitherman: Yes, for sure.

M^{me} France Gélinas: Okay, that sounds good.

I wanted to move to family health teams. You have announced 150 family health teams fully operational by the end of 2008. When we last counted, we counted 133. Could you let us know where we're at right now?

Hon. George Smitherman: Yes. Somebody will pull that up. Very soon after the election, we took a hard look at the 150 that had been launched. There were two or three that were really—I wouldn't call them dead, but they really didn't show very many signs of life. But we've got that number up to 137 and are particularly working vigorously with those that have not yet been fully operationalized.

1730

M^{me} France Gélinas: Are you confident that we will reach a target of 150 family health teams by the end of 2008?

Hon. George Smitherman: I think it's possible through this fiscal year that there may be one or two or a handful that don't materialize. But overall, I think we'll

get awfully close to that. Relatively soon, we'll start to be in the position of starting to look at allocating an additional 50. In any circumstance where a few just aren't going to materialize, we would, of course, allocate additional ones alongside those 50.

M^{me} France Gélinas: Okay. We'll start with the 150. Of the 150, how many of those were community family health teams?

Hon. George Smitherman: I'm not sure. It's actually—I've got a different note here, so this is even more up to date than the materials: 142 family health teams are operational, with 1.8 million patients. We expect that when they are fully operational, they will have 2.5 million patients.

On the issue of the breakdown between those which are provider-led and community-led, we'll get that information for you. I don't have that at hand.

M^{me} France Gélinas: When you make your further announcement of 50 more, or when you decide, will there be targets for the percentage of them that should be community family health teams?

Hon. George Smitherman: I'm not sure that we've contemplated that, nor am I sure that—I don't believe, for many of the approvals which I've sought through cabinet, that that's necessary. I understand where you're coming from. We certainly want to continue to promote community-based family health teams, but I think it's very, very important as well that when we allocate these additional family health teams, we're going to do so having a better understanding of where the density of patients without family health care are. That's building from that 400,000 number that the Ontario Health Quality Council has spoken to. So we certainly want to make the investment in additional family health teams very mindful of where the people are looking for care—those 400,000 especially.

I just want to be a little bit careful. I don't want to be prescriptive, to say, "In this community it must be a community one," and, "In this one we'll accept a provider one." We have to be a little bit careful not to be so prescriptive that we don't get any take-up in the communities where we really need to see action.

The second thing that we have to be mindful of—because, as you can see, some of them do take quite a while to come to life—is that sometimes evolving an existing model of primary care where there's already a group that is formed—it sometimes is a little bit easier to add to that critical mass than to build from a standing start. We have to be mindful of those challenges as well.

M^{me} France Gélinas: Okay. In the Results-based Plan Briefing Book—that's the right title, I was told—you can see a line for community health centres. But where can we see how much those 50 new family health teams will cost? Where is that?

Hon. George Smitherman: The deputy will help to direct us even more clearly, but I do want to be—I don't know the exact answer, but I do want to tell the honourable member that from the standpoint of the Ministry of Health's four-year perspective—I guess the estimates focus more on three. Is that right?

Mr. Ron Sapsford: It's only the next year, the budget numbers—

Hon. George Smitherman: Oh, so only the next year. Because we now have a better idea of, when you announce them, what the time lags are before you actually start spending substantial money, some of the family health team impact from a fiscal sense does happen a little bit down the path. So you can't always see, from the narrow view that the estimates offer of just a year or two, that the chickens come home to roost, or whatever that expression is, a little bit further out in other budgetary years.

Also, please keep in mind that it is not our intention to initiate the process around awarding additional family health teams until we've learned a little bit more about where the density of unattached patients is in Ontario. We have some ideas around it, but we're working harder to get a more sophisticated understanding of where the people are who are without doctors.

People talk about it a lot in the context of rural areas and remote areas, but we also know that there's a substantial density, especially of newcomer communities, in urban areas that experience some hardship there. We're trying to learn more about that so our allocation of family health teams is even more sophisticated than last time.

M^{me} France Gélinas: Mr. Sapsford, were you able to find in the estimates where I could find those numbers?

Mr. Ron Sapsford: Yes. It's in vote 1405, which would be, "Payments made for services and for care provided by physicians and practitioners." So with the actual expenditure—

M^{me} France Gélinas: Where? Sorry, I didn't get the page.

Mr. Ron Sapsford: Page 81.

The Chair (Mr. Tim Hudak): Page 81 in the estimates briefing book?

Mr. Ron Sapsford: Yes.

The Chair (Mr. Tim Hudak): Thank you.

M^{me} France Gélinas: All right. Sorry. Go ahead.

Mr. Ron Sapsford: It's under "Transfer payments," the \$9.6 billion.

M^{me} France Gélinas: Transfer payments—yes, I see this. This is as precise as we get?

Mr. Ron Sapsford: It's page 80. We're having trouble with page numbers, it seems.

M^{me} France Gélinas: Page 80.

Mr. Ron Sapsford: On the left side, under "Transfer payments," you see, "Payments made for services and for care provided by physicians and practitioners"—\$9.625 billion. It's included in that provision.

If you go to the next line, the increment for 2007-08 of \$265 million includes provisions for the expansion of the existing 150 that the minister talked about—opening them to larger service as well as a provision for the beginning of the introduction of the additional 50.

M^{me} France Gélinas: Are there other costs in those lines, or is that strictly for family health teams—the full \$9.6 billion for new, existing, expanded and yet-to-arrive?

Mr. Ron Sapsford: If you look at page 81, you will see—

M^{me} France Gélinas: All of those.

Mr. Ron Sapsford:—all of those, that whole list of changes, additions and subtractions. The total is \$311 million, which is the total increase for this vote, of which the largest portion is the \$265 million—and that's the part that supports physician payments.

M^{me} France Gélinas: Do we have a breakdown as to how much is spent on physician services versus every other professional health care provider within the family health teams?

Mr. Ron Sapsford: The total expenditures are in these numbers, but I don't have the breakdown in the estimate as to the breakdown inside each family health team as to what the physician versus other providers would be.

M^{me} France Gélinas: I wouldn't need a breakdown within each one. I'm not interested in specific ones; I'm more interested in the global picture: Within family health teams, is 50% of the budget for physicians and 50% for allied health etc.? But if you could break it down even more, where I would see—

Mr. Ron Sapsford: I can endeavour to do that.

Hon. George Smitherman: I may not be right, but we'll try to zone in on it. Because we tend to aggregate those costs elsewhere, I'm not sure that the physician costs are actually reflected in that line. We will get you some clarification on that.

M^{me} France Gélinas: I was under that impression. So just to make my question clear—

Mr. Ron Sapsford: Some representation proportion between physician versus non-physician within—

M^{me} France Gélinas: But even if you could break it down some more, like, how much is spent on nurse practitioners, on nursing, on mental health services etc., would be interesting. I'm also interested in knowing: Is there any health promotion in community development investment made in family health teams?

Hon. George Smitherman: There are health promoters and there are some who are working in community development, akin to what we've seen in community health centres. What we will be able to show you, I think, is, of the allied health professionals who have been hired, how many are in each grouping. Or, we probably could give you data also on where physicians have been approved for hiring, where they rank.

You'll see some health promoters, I'm sure, doing some community development work, but it's not a very strong bias in the hiring profile so far. They've tended to be more focused on clinical service-providing allied health professionals. But you'll see a glimmer of it, I think. We'll try and get you some data on that.

1740

M^{me} France Gélinas: Okay. Are you looking at making sure that you build equity within the different primary health care models—equity in the form of salaries and benefits—so that one model doesn't compete against another? I understand that the AHACs are a little bit different.

Hon. George Smitherman: Yes. As a matter of principle, we do our very best in that. We've worked really hard to try and—we've had nurse practitioners in various spots in our budget over the last three or four years, and we've worked hard to try and get all of those, because maybe one year that budget line got an increase that got passed on to the nurse practitioner and maybe a nurse practitioner working in another program didn't. We have worked to try and create an equitable platform around it. It's not possible—you did say "across all the platform of primary care," and I think that we've substantively focused on that as a matter of principle.

It does get a little bit more difficult where an individual like a nurse practitioner could also work in a hospital environment, because there is some freedom. There's greater latitude in those circumstances. But I'm sure the ministry could get you some analysis about how that's working.

M^{me} France Gélinas: I understand—

The Chair (Mr. Tim Hudak): Thank you, Madame Gélinas, I'm sorry; that does conclude the—I know it goes fast. That's 30 minutes' time. There will be other rotations; just not today.

Now we go back to the minister. Minister, as we discussed at the beginning, I'll perhaps give you 20 minutes of time, and I will adjourn the meeting at 6 and give you the last 10 minutes when we next resume.

Hon. George Smitherman: Sure. That sounds great, Mr. Chair.

I want to thank everybody. It's fun to be back and to be engaged in discussion about this substantial budget and all the opportunity that's embedded within it to do good for the people of Ontario. I thought what I could perhaps do is, I took quite extensive notes through member O'Toole's presentation, and I'll try and offer some information in relation to those points that you raised.

One thing that I noted from your discussion at Uxbridge: Firstly, I do think it's important to say that we're very conscious that there has been a lot of angst in the community with respect to the future of Uxbridge. But I do want to acknowledge that for all the stories that have been written, in substantial measure because of very, very heartfelt engagement on the part of our HealthForceOntario team, which is led by Dr. Joshua Tepper, our assistant deputy minister, no hospital emergency room in the province of Ontario has lost a shift in almost two years. It's not to say that two years ago we were happy with the circumstance that occurred at that time in Leamington. But we really have brought it to a level in the ministry where, even when hospitals have decided that all is lost and they're going to put out a notice to their community to say, "Service is going to be diminishing on this weekend," or something, we have rolled up our sleeves and fought vigorously to find the resources that are required. Dr. Tepper himself is a rather unique public servant because he's not just running a big branch of the ministry; he also pulls quite a few shifts in hospital emergency rooms. I think that he fills that—in a

certain sense, today we had a chance in the Legislature to talk about the remarkable life of Dr. Sheela Basrur. The ministry really does have a lot of people who are pulling like that.

IMGs are a big answer to the challenges that we've experienced with physician shortages in Ontario. This Friday we're going to have a very exciting celebration, as the first crop from the expansion of international medical graduate residency programs, which we did in 2004, are being minted. Probably some of those whom I'll meet on Friday are amongst the ones that you mentioned who are coming to the Uxbridge community. That's because we've more than doubled the number of residency positions that we have for international medical graduates. There are more barriers. My parliamentary assistant, Laurel Broten, has been working on this as her preoccupation since the election. You'll soon see a report that she has authored that will inspire our government to take even further steps on the IMG front.

Community health centres: Mr. O'Toole, the member, spoke about those which are coming to life in his area, like in Brock. We really felt that when we came to office, community health centres—I wouldn't say they'd exactly been ignored, but the opportunity to build more of them hadn't been taken up by prior governments. Some of them are slow to come to life, in part because of the difficulty of engagement with communities; sometimes, in the case of one in Ottawa, because we had a really hard time finding the appropriate physical space; similarly, one in the riding of Scarborough—Rouge River that I'm familiar with. But overall, we really see community health centres as an important part of the fabric of health care in Ontario.

On ERs, I just want to correct the record slightly. When you look at the \$109 million that we laid out last Friday for our emergency room strategy, you said that none of it was going to benefit Uxbridge, or words to that effect. But the reality is that only \$30 million of the \$109 million is actually being allocated to hospitals, related to their emergency rooms. Most of the resources are going out to enhance the capacity for CCACs to deliver more home care. That's going to go all across the province of Ontario, and the CCACs have other increases in their budget this year.

So I just want to say that I recognize that our starting point on the emergency rooms is to tackle those that are especially high-volume and that had the most serious challenges for patients. We focus on those 23. It's a bit of a carrot-and-stick approach. Yes, they get a little bit of additional resources. They also fall under a lot more involvement and guidance from our wait times team, which, alongside Dr. Hudson, includes Dr. Michael Schull from Sunnybrook.

On the matter of hospitals, I just want to make the point to the member for Durham that I have no doubt whatsoever that running a hospital in today's environment is one of the toughest tasks that we call upon individuals to do. It's been noted in many environments that they seem to be relatively well compensated for the

difficulty of the work that is at hand. On this matter, you said at one point that they need more money. I'll put the record of our party up against yours on this matter. Hospitals in two fiscal years—in 1995-96 and 1996-97—received actual cuts to their budget. The biggest thing that you can rely upon to call “a cut” is to say that the budget didn't grow sufficiently. Every hospital in the province of Ontario has received more money every year that our party has been the government. We continue to plan for that trend.

You can see by the chart that's on offer—I think that's on the third page—that it's like steps: in 2003-04, \$10.98 billion, heading towards \$14.55 billion this year. So you think about it. A stable platform of hospitals in the province of Ontario, \$3.5 billion more funding now than five years ago, and that's a substantial demonstration of our understanding that hospitals are so crucial in their communities. But I don't think we should pretend that you can, on the one hand, say that you should give everybody more, and also back up a commitment to cut health care revenue by up to \$3 billion.

On this point that you offered with respect to the health premium, it was not accurate when you said that not every penny of the health premium is being spent in health care. When you consider that we've also created a Ministry of Health Promotion which has its own substantial resources to try and help affect the long-term health of Ontarians, those dollars are making an extraordinarily important difference. That's why we believe in that and never thought it was a good commitment to make, to eliminate the health premium. Having the health premium in place allows us to make investments in something that you mentioned a couple of times, which is electronic health. Everybody agrees that an electronic health record offers good opportunities to enhance the quality of care for individuals in Ontario. In our budget this year, we have \$224 million more than we did last year for electronic health initiatives. We committed, in the election campaign, to have a fully functional electronic health record by 2015 and the commitment of the official opposition was to do that by 2014.

Our investments are going to be designed, first and foremost, to take advantage of electronic health capacity to best support people who have underlying chronic diseases, especially diabetes. We conclude that the diabetic population, estimated at 900,000—and, we all know, growing quite substantially—really does warrant the earliest focus on additional investments related to electronic health, because the complex needs of a diabetic patient are most likely to benefit from those sorts of investments. We have exciting announcements that will be forthcoming on that point.

I want to correct the record. I know I won't be successful in disabusing the member of this to the point that he stops saying it, but the family health networks that you talk about—and you tell a story about the fantastic Dr. Neil McLeod from Thunder Bay, recently retired but much loved, I know, by his patients, many of whom I've had a chance to meet. The family health network model

of the prior government was certainly about rostering and about getting doctors to work in groups, but the additional staff, this interdisciplinary team approach, was virtually limited to nurses. When we have a chance to share some of the data—we've got nurse practitioners, nurses, pharmacists, mental health workers, dietitians, a much wider array of professionals that form the team.

The family health team really has, I think, been seen—and especially by some of our neighbouring jurisdictions—as one of the biggest advances in health care in the country in a long time. It's a real credit to the Premier for having put this in our campaign platform in 2003. You said that rostering is the focus of the family health network initiative. That may be the case; the team approach and comprehensiveness are the definite underlying principles of our family health team approach. I had the chance to mention, on the hospitals, that at consolidation, their budgets at the end of the last fiscal year were \$282 million in surplus.

On mental health, I just want to make a point. The member for Durham quite rightly paid attention to a matter related to Rouge Valley which there has been a lot of angst around. In the modern era—I don't know what that means. In the era of the McGuinty government being in charge of health care, the discussion that gets everybody riled up is that a service is being moved. This stands in very sharp contrast to the kind of discussions that occurred, to the member for Durham, when your party had the privilege of governing health in the province of Ontario. That was about outright cuts, cuts that put thousands of people on the streets in very short order, the loss of about 20 hospitals in the province of Ontario and the diminution, as you very well know, of hospitals like the Whitby site of Lakeridge.

It's very tough, obviously, to find the perfect alignment of resources to meet all of the needs of patients as expressed by their local communities, but our record is one of having provided substantial investment all across the platform of health care, and in mental health especially. To the member for Durham, when we think about investments in mental health, we actually get to think about and talk about investments. What I came to realize, as a Minister of Health who arrived in 2003-04, is that for 12 years—dating back over difficult economic times for part of it, and explanations around all of it for sure—under the two other parties in the Legislature of Ontario, community-based mental health services didn't get a penny—not even a penny—for the costs associated with keeping the lights on in all of that.

I've really been excited to see the response of community-based mental health and addiction service organizations. They're still grappling with serious challenges in meeting the needs of Ontarians with mental health issues, that much is for sure, and we all have to agree on that, but they also have an enthusiasm because they've been given some of the resources to reach out and help people. We have additional resources in our budget for both mental health and addiction, which is going to allow us to make investments that really reach

out, and it has addressed some of the most pressing gaps in services which are there for people. I do think that mental health is one area that stands up very well to comparisons, especially.

Could I just ask how many—

The Chair (Mr. Tim Hudak): We are now at seven minutes till 6, so we'll break whenever you want and we'll give you the rest of the time when we come back.

Hon. George Smitherman: Okay. I'd be very happy to take the suggestion of the member for Durham and give everyone a chance for a short queue across the way.

The Chair (Mr. Tim Hudak): Thank you very much, Minister, Deputy and all the Ministry of Health and Long-Term Care staff who have joined us today. This means that the minister will have 17 minutes of time when we resume. That will be Tuesday, June 10 at 9 a.m.—it'll be 9 to 10:45 and then we'll resume the meeting between 4 and 6 p.m. Then we begin the 20-minute rotations equally among the three parties.

Folks, thanks very much. We are adjourned until Tuesday, June 10.

The committee adjourned at 1754.

CONTENTS

Wednesday 4 June 2008

Ministry of Health and Long-Term Care	E-149
Hon. George Smitherman, minister	
Mr. Ron Sapsford, deputy minister	

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E-10

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Mardi 10 juin 2008



Standing Committee on Estimates

Ministry of Health
and Long-Term Care

Comité permanent des budgets des dépenses

Ministère de la Santé et des Soins
de longue durée

Chair: Tim Hudak
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 10 June 2008

Mardi 10 juin 2008

*The committee met at 0908 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Vice-Chair (Mr. Garfield Dunlop): Good morning, everyone. We'll reconvene the Standing Committee on Estimates. I'd like to remind the members that the committee will not meet this afternoon, and I want to put on the record why. The Chair, Mr. Hudak, requested that the meeting be cancelled for the following reason:

Standing order 60(e) states: "No estimates shall be considered in the committee while any matter, including a procedural motion, relating to the same policy field is being considered in the House." There is an opposition day motion on the Orders and Notices paper, to be debated this afternoon, which concerns issues of health policy. As this committee is continuing its review of the Ministry of Health and Long-Term Care, the Chair felt it would be appropriate to cancel the meeting out of respect for the standing orders. So that's the reason we won't be here this afternoon.

We are here to resume consideration of the estimates of the Ministry of Health and Long-Term Care. There is a total of eight hours and 18 minutes remaining. When the committee was adjourned, the minister had 17 minutes left to complete his reply to the opposition parties' statements and questions. Following the minister's comments, we will go to the official opposition and begin the 20-minute rotations.

Welcome this morning, Minister Smitherman, and all the members of the staff of the Ministry of Health and Long-Term Care. You have 17 minutes for your final comments.

Hon. George Smitherman: What I thought we could do with the time that we have, to be helpful to the committee, is give the deputy an opportunity to respond to some of those things which we will also subsequently table with the clerk—principally, I think, answers to questions posed by Ms. Gélinas.

The Vice-Chair (Mr. Garfield Dunlop): I appreciate that. Go ahead, Deputy.

Mr. Ron Sapsford: The first question I wanted to address was a question around the community health centre allocation. The question was with respect to the allocation for 2008-09, which is on page 114 of the results-based plan briefing book. The number for

2008-09 is showing at \$190.6 million over an expenditure in 2007-08 of \$188 million. The question was whether that was the only increase for CHCs.

The total planned expenditures for CHCs includes another portion of a vote in vote 1412, which is the ministry-managed vote. This is because, with the creation of local health integration networks, the estimates for the programs under their jurisdiction include the base funding in some increments. There are occasions where the government has provided a total allocation, but we have not yet allocated it among the programs and then transferred the money to the local health integration networks.

In this particular case, there is an additional \$80.6 million in vote 1412, which is specifically for the support of new CHCs as they open over the course of fiscal 2008-09. So the total expenditure for CHCs in the estimate is \$271.2 million for the year. I think that answers that particular question.

Similarly, in capital expenditures for community health centres in 2008-09, there's a provision for capital funding of \$25 million to support the expansion program.

There was another question about the percentage of CHC registrants who have a chronic disease. It's clear that the total residents served by CHCs are approximately 350,000 Ontarians. We do not have specific information on the proportion of those people who have chronic disease. However, it's fair to say that as residents use CHCs chronic disease is, of course, one of the presenting issues that CHCs will deal with. So examples of the kind of programming in CHCs for chronic disease include diabetes, diabetes teams, chronic respiratory disease such as asthma, chronic obstructive pulmonary disease and so forth. So CHCs are staffed to deal with chronic diseases, although we don't have information about proportion of patients who present with those particular problems.

Moving on to family health teams: a question related to the proportion of provider-led versus community-led FHTs. Currently, we're working with a total of 150, and of that 150, 81 of them are physician-led, 46 are mixed—in other words, there's a community and a physician relationship at the governance level—and 23 are community-led.

A breakdown of health practitioners in family health teams by type was another question. There's a wide variety of other practitioners beyond physicians in family health teams. A quick breakdown: the largest proportion

are nurse practitioners, at 32.9%; registered nurses, at 28%; registered practical nurses, RPNs, at 2.7%; dietitians, 7.9%; mental health workers, 10.2%; social workers, 7.9%; pharmacists, 5%; educators, 1.7%; and other, 4.1%. That's the breakdown of other practitioners currently budgeted for family health teams.

Hon. George Smitherman: But when the question was first posed, it also included: How much of that line is for physician compensation? It's important to note that none of that line is for physician compensation. That's all captured elsewhere in the OHIP line. When you see that family health team expenditure line, that's all for allied health professionals and the costs associated with the operation of the team.

Mr. Ron Sapsford: The other question was, is there funding for health promotion and community development initiatives in FHTs? The answer to the question is yes. The ministry receives applications and program proposals from the local family health team proponents. It's based on their assessment of the need for service in that particular community that we respond to. Many of the proposals have included proposals for health promotion and community development activities. Some examples include: periodic health examinations; cancer screening initiatives; immunization programs; addiction counselling, such as smoking and substance abuse prevention; as well as lifestyle counselling, which would include things like nutrition counselling and stress management counselling.

There's not a specific rule about it, but the minister responds to the proposals as they're submitted from the various communities.

There was another question: Is the ministry looking at equity in terms of payment across all primary health care models? The ministry has established a funding policy and benchmarking guidelines for salary and benefits for interdisciplinary health providers, which would include nurse practitioners. We try to be consistent across all primary-care-funded programs, such as family health teams, CHCs, primary care nurse practitioners and under-served area nurse practitioners. There is an effort to try to have a consistent funding policy across all of these different forms. They've all started at different points in time, and occasionally there's a little bit of dislocation. We have made adjustments in the past to try to keep these programs on an even keel.

The question about funding received by aboriginal health centres: The total expenditure transfer at the moment is \$10.7 million per year. As was said, that's transferred to the Ministry of Community and Social Services for aboriginal health access centres. In addition, there was an adjustment in supplementary funding of \$2.3 million for nurse practitioner and physician salary enhancements in the past year. So this \$2.3 million was in addition to the \$10.7 million, making a total of \$13 million in 2007-08 to support aboriginal healing and wellness centres.

In addition to that, there was an additional \$1.23 million for 2008-09 for compensation increases for nurse

practitioners and physicians in the aboriginal centres. Those are the total expenditures provided for aboriginal centres.

The final question about whether the ministry sets the salaries for nurse practitioners in aboriginal centres: As I've said, we set the benchmark and the guideline. We don't make the actual decisions; employers will actually do that. But in terms of the funding policy, we have a benchmark of a maximum salary of about \$85,300 for full-time equivalent nurse practitioner positions across the community health system.

The Vice-Chair (Mr. Garfield Dunlop): Did you have further comments at this time, Minister?

Hon. George Smitherman: No, I thought maybe we'd use that up and then just begin allocating your time in whatever blocks are appropriate.

0920

The Vice-Chair (Mr. Garfield Dunlop): To Mrs. Witmer, of the official opposition. You have 20 minutes.

Mrs. Elizabeth Witmer: I want to take a look at hospitals. We know that hospitals in this province have been struggling to try to balance their budgets at a time when we have an aging and a growing population, and many of those people have some very complex needs. Certainly there has been a challenge. The hospital association, in fact, has suggested that the deficits are to some extent a result of the hospitals not being paid for all of the services they deliver and the volume of work they do. When you take a look at the increase in spending on hospitals—the 6.1%—when you remove the funding tied to specific purposes such as the wait times strategy, the amount of additional operating funding provided to the hospitals is actually below the rate of inflation. So you start to understand why they are struggling to meet the needs of their communities.

I want to ask you first to share with us the list of the hospitals that have not yet signed their accountability agreements.

Hon. George Smitherman: We'll be very happy to work on developing that list. That information of course is in the hands of local health integration networks, but I'm sure, as the estimates process continues down the path, we can provide that information.

I would want to tell the honourable member a few things. It's not accurate to suggest that funding for hospitals—firstly, a 6.1% increase is reflective not only of one-time funding for things like wait times, which are typically recurring so long as the hospital is able to deliver the volumes, but also includes increases like the post-construction operating plan because we've been so active as a government in building new hospitals. Those are, of course, base-allocated dollars. So of that 6.1%—as an example, you would see that a brand new hospital just transferred its patients successfully on the weekend in Peterborough, and that's a credit to the good people of Peterborough. They obviously worked very hard. They have a very substantial base budget increase this year, and that too is counted in that 6.1% figure.

But even as you strip away all of what you might call special items, certainly this year and in previous years hospitals have received greater than the cost of living or the inflation rates that are prepared by organizations like Stats Canada. In fact, if you look at the funding levels for Ontario's hospitals, in 2003-04, when our government came to office, it was just under \$11 billion; in this year of 2008-09, it's projected at \$14.55 billion. In most people's estimations, a three-and-a-half-billion-dollar annualized increase in these areas is very substantial money indeed. I note that the honourable member's very own party platform calls for the elimination of the health premium. Certainly most people would conclude that that would result in about a \$3-billion pressure on the health care line.

I think there is a strong recognition of the challenging work that hospitals are involved in. What we've sought to do is make sure that we're investing in all of the pieces of health care, not just one. When we came to life as a government, we inherited a circumstance where many pieces of health care, particularly those at the community level, hadn't been receiving any increase; community-based mental health stands out as a very good example. From the last time that we were in session here—and someone will correct the number if I get it wrong—at the end of the fiscal year, the consolidated budgets of the hospitals in the province of Ontario showed a nearly \$300-million surplus. While there is always an opportunity to talk about a hospital in the context of deficit, I would remind the honourable member that at the end of the year, hospitals had cumulative surpluses of nearly \$300 million.

One other point which is very important: Because we now have a process which requires hospital boards and CEOs to sign on for the resources that they have allocated, all of those discussions about deficits are discussed in the first few weeks of the fiscal year of an organization. I think that that's a very good improvement, if you will, over those conversations which occur in the 11th and 12th month of a fiscal year, which had been the case over the course of the last several decades.

We recognize that the people who run our hospitals have very difficult challenges, but we also know that if hospitals are going to function, there have to be complementary investments in those initiatives in the community without which hospitals are under even greater pressure. We've been about making investments all across the platform of health care, and we're going to continue to make sure that every hospital in the province of Ontario receives more money each year, as has been the case every year of the McGuinity government.

Mrs. Elizabeth Witmer: I thank the minister for his comments, but maybe we just need to set the record straight on a few points. I was personally thrilled to see the official opening of the Peterborough hospital. I had the pleasure, when I was Minister of Health, to make the announcement to the good folks in Peterborough. In fact, I remember we started to make the announcement out of doors, it started to pour rain, then we went inside. Our

government, the Progressive Conservative government, was very pleased to have responded to the needs of that community, to see that project come to fruition, and the people of Peterborough provided with access to a state-of-the-art hospital in that community.

I'd also like to set the record straight on another point. I know the minister has continued to, I would say, mislead. Our party is not going to be taking \$3 billion out of the health care system. Our party is going to make sure that all of the money that currently goes into the health tax, which, as you know, was a little bit different than what your party had committed to—they said, "No tax increases." Then, right after the election, you introduced this new health tax. We are going to make sure that all of that money actually goes to health care. We have no plans whatsoever to take any money out of the health system. So I would just put that on the record. I'd also want to say that our government committed \$1.2 billion to community care programs and supports.

I'd like to go back to hospitals because, despite what the minister is saying, when I visit hospitals or people contact me, I would say to you they are experiencing a lot of difficulty in balancing their budgets. I guess I'd like to know what steps you are taking, or the LHINs are taking, to ensure that hospitals already operating in an efficient manner are funded appropriately and are not forced to cut patient care services, which we know hospitals have had to do this past year. We've seen the disappearance of some day programs, we've seen the disappearance of some staff. We can say there was no loss of staff; there was attrition. What are we doing to ensure that our hospitals that already operate efficiently are funded appropriately and are not forced to cut further patient care services in order to balance their budgets?

Hon. George Smitherman: Let me go back to this health premium issue firstly. You said—I just wrote down this quote—"Our party is going to make sure that ... all of that money actually goes to health care." But it is the policy of your party to eliminate the health premium. So we're spending just about \$3 billion that the health premium provides on health care services. Your plan is to eliminate that premium and the source of revenue that it provides to the tune of nearly \$3 billion. So that seems actually like a confirmation that the plan that you have as a record for your party is to eliminate a health premium which is funding health care to the tune of nearly \$3 billion.

That's why I think people conclude that your party continues to be an advocate—Mr. Hudak and Mr. Tory quite recently on this point—calling for the elimination of the health premium, which we in the Ministry of Health depend upon as a very substantial source of revenue to do the very things that you would like us to do.

On this issue about efficiency, it seems like the way that you've posed those questions is to conclude that every hospital is similarly efficient, that there is in the context of \$14.55 billion of expenditure no opportunity anywhere, across the broad platform of 210 physical

buildings, that hospitals can find better ways of delivering their services. I don't really think that that's a particularly viable argument. I know it's not the one that you exercised when you were the Minister of Health.

You spoke about volumes etc. All of the evidence that has been gathered—and CIHI has looked into this matter quite substantively. You know that the doctors associated with the wait times initiative have attempted to make the argument that that was leading to the cannibalization of other services. But CIHI's review of the variety of surgical procedures, even outside of the wait times area, has demonstrated actual increases in those areas.

0930

On staffing, where you talked about the spectre of layoffs or attrition, we had a chance, in discussion with your colleague who was representing you last week, to put some information into the public domain about the number of employees who are working in a variety of health care roles in the province of Ontario. In that discussion we were able to confirm that between 2003 and 2006 there has been an increase from 21,472 to 22,725 doctors practising in the province of Ontario, and by the data of the college of nurses, you can see from 2004 to 2007 an increase of just around 7,000 nurses practising in Ontario. So notwithstanding the characterizations in your question, I think it's important to reassure Ontarians that on the crucial issues of more services and more nurses and doctors, the evidence has confirmed that each of those has seen improvement during the life of our government.

Hospitals no doubt have a tough job to do. We call upon those folks to do it and they're quite well compensated to do it, but no one pretends that it's not challenging work. I really don't think that the free-for-all, whereby at the end of a fiscal year people could send you the notice and say, "Oh, by the way, we need another \$300 million or \$400 million or \$500 million"—I don't think in your heart of hearts you believe that's a sustainable solution. I'm very proud that we've brought to the funding of hospitals a level of accountability through the accountability agreements that force people to sign on the bottom line and say, "We are going to work within the available resources," and even in that context, as I've had the case to make the point, there has been an increase in both services and staffing.

Mrs. Elizabeth Witmer: I thank the minister. I don't think he answered my question, but I'd like to go back to the health tax.

I would remind the minister that we are not going to take any money out of health care. We would ensure that the money from the health tax, however, does go directly into health care funding. I would hope that answer is now complete. There was a provincial election last fall. The voters made a decision. I would say to you, based on today, that all money collected from the health tax would be going into health care.

Some hospitals have expressed to us quietly and privately that they don't see any rhyme or reason as to how the growth funding was allocated by some—and I

stress the word "some"—of the LHINs. It appears that some of the LHINs used a funding formula to determine these allocations while others simply made what appeared to be arbitrary decisions, and they didn't provide any explanation for them.

You have, I believe, a job to do. We have to make sure that there is fairness across all of the LHINs. We have to make sure there is transparency, which obviously in this case there wasn't; they couldn't provide any explanation. And we have to make sure there is accountability.

I would ask you, Minister, if you are prepared to direct all of the LHINs to use a standard formula to allocate future growth funding.

Hon. George Smitherman: First, just to your point earlier, I must confess to still being confused by your explanation with respect to the health premium. On the one hand you said that you want to make sure that it's spent on health, and it is; then, on the other hand, you said you still plan to eliminate it. In fact—

Mrs. Elizabeth Witmer: I didn't say that.

Hon. George Smitherman: I believe I have the floor, Mr. Chair.

Mrs. Elizabeth Witmer: Maybe you could just understand that we are not going to eliminate it. Okay?

Hon. George Smitherman: I'm going to provide the committee with the copies of the press release since the election from Mr. Hudak, who I think serves as the finance critic or something like that for your party, and from your leader, the unelected Mr. Tory, calling for the elimination of that premium I believe in the run-up to the budget. I think that's why a lot of us have been mystified by this constant demand for more spending when the very foundation of your plan is to eliminate resources from health care. We're having a discussion about whether hospital funding growth is enough, whereas if we look at the context of the government that you were part of, there were actual direct cuts to hospitals in 1995-96 and 1996-97 of hundreds of millions of dollars.

I think on this matter, with respect to growth funding, first is the acknowledgement that we have it. There are parts of the province that experience rates of growth that are above the provincial average. We have created capacity to allocate resources to them, particularly in recognition of that.

I must acknowledge that I have heard some criticism along the lines of those that the honourable member offered, especially from the GTA/905—I can't remember what their current name is. Tariq, from that organization, has been in touch with me by correspondence and provided me with some insight into this. Through the course of these estimates we'd be very happy to provide the honourable member with more information about HBAM, the health-based allocation model, that we spoke about somewhat last week when one of your other party representatives was in the chair, to take a good, hard look at it.

What we're trying to do is create a dynamic in the province of Ontario that allows people from closer to the action to make a greater array of decisions with respect to

the allocation of resources that are available. I do agree that on the matter of the allocation of growth funding, the information has not been available sufficiently. I will make sure, through this estimates process, that we all have an opportunity to look at it and to offer some judgment as we move forward next year with an even bigger allocation of growth funding. I'm very confident we can do so in a manner which gains the support of all parties involved. I think there is more information to bring to bear, and I look forward to a chance to get that together and present it to members of the committee in this process. I'm quite certain it can be done better, at least from a communications standpoint, but we will hold our judgment until such time as that's presented. I look forward to the opportunity to do so.

The Vice-Chair (Mr. Garfield Dunlop): You've got three minutes for questions and answers for this.

Mrs. Elizabeth Witmer: Are you saying, then, that you will direct the LHINs to use the standard formula that does demonstrate fairness, transparency and accountability?

Hon. George Smitherman: I'm saying I can't confirm at this point that that has not happened, because we're still trying to get all of the information back. I've heard the criticism, and as we get the information back, we'll put it before the committee and assess collectively whether it has met those tests that you speak about. I know it can be done better, but I have not yet concluded from my own investigation that it has gone as awry as some have suggested it has.

First we'll try and get a handle on that information. As growth funding was allocated to about five, perhaps six or even seven local health integration networks, some of them, like your home LHIN of Waterloo-Wellington, got a fairly modest amount of money overall. In other LHINs there was quite a substantial increase, for sure. I look forward to being able to present more information to the honourable member.

The Vice-Chair (Mr. Garfield Dunlop): Okay. You've got just a quick question and a quick answer.

Mrs. Elizabeth Witmer: Right. I'm going to start to focus on the Public Hospitals Act, which requires every hospital board to establish a fiscal advisory committee. I just want an update on the listing of hospitals that are in compliance with that requirement of the act, as to whether or not they've established the fiscal advisory committee. You're going to have to come back to me on that.

Hon. George Smitherman: Yes. I don't have that information at hand but, Mr. Chair, we'll endeavour to get it.

The Vice-Chair (Mr. Garfield Dunlop): Okay. That completes the official opposition. Now we'll go to the third party. You have 20 minutes, France.

M^{me} France Gélinas: Thank you. I will continue on our first priority, which is the second stage of medicare, in my line of questioning. I would like to start by thanking the deputy minister for his answers to the first

series of questions that I asked last time. It's most appreciated.

Before I start into my own questions, I was just curious about one answer you gave to the member from Waterloo. You talked about an increase of 7,000 nurses practising in Ontario. The number you usually use is 8,000. Was this a mistake, or what happened?

Hon. George Smitherman: No, not at all. I've said clearly before that there is no one universal tracking measure for nurses. Most people would conclude that the most reliable data—but to anyone who's looked at this, including those that are in nursing academia, there is no one place that captures all that information. Sometimes we have information about nursing because we've flowed resources in a fiscal year for the purchase of more nursing services. But the college data might lag behind by as much as a year.

0940

What I'm offering up is from the slides that we handed out last week, which is the data from the college of nursing. I've previously been able to identify where our government's commitment for 8,000 additional nurses was fulfilled. I'm looking to offer, as best as I'm able, some confirming data which seems to underscore that there has been a substantial increase in nursing, albeit within the range of numbers that we've spoken about but not the absolute number. But on getting those numbers, if you can show me the most reliable place, I'd be happy to try to use that. This has been a real source of frustration for me, so we've used the college of nursing data, even though it does tend to lag behind a little bit.

M^{me} France Gélinas: Very good. My first question has to do with nurse practitioners. Basically, right now there is a ratio of about five nurse practitioners for a population of 100,000. I was just wondering, does your ministry have set, specific targets as to what you would like this ratio to be or is there a target at all?

Hon. George Smitherman: No. I don't know that there is a target, but Dr. Joshua Tepper, our assistant deputy minister of health human resources, with a focus through HealthForceOntario, is developing more sophisticated modelling for future numbers of health care providers that are required. But the simple answer to, "How many more nurse practitioners do we want or need?" has been, "More." We have sought to put pressure on those who teach nurse practitioners to continue to expand their capacity to do so. We've sought to find the resources to continue to grow the classes so that we can produce more nurse practitioners.

Overall, we think they're great. We see the versatility of the deployment of nurse practitioners. We know that the patient experience with nurse practitioners is very, very positive. We know that it would be beneficial to have more. That's why we've made quite substantial investments in providing for greater teaching opportunities for nurse practitioners.

M^{me} France Gélinas: When you talk about Mr. Tupples—I'm not sure if I pronounced his name properly.

Hon. George Smitherman: Tepper.

Mr. France Gélinas: Can we expect that there will be some targets either in relation to—I know we have about 84 physicians per 100,000 population.

Hon. George Smitherman: This is Dr. Joshua Tepper. In one word of introduction, I'll just say that one thing that we've done—of course, we have to partner with the Ministry of Training, Colleges and Universities. He has the novelty, if you will, of having—he's an ADM. I think we pay all of his bills, but he also reports to the Deputy Minister of Training, Colleges and Universities because they're the production line for increasing our professionals in many ways.

Mr. France Gélinas: Sorry about your name.

Dr. Joshua Tepper: Oh, no, that's okay. Thank you, Minister, Deputy.

There was a model developed nationally to predict the number of nurse practitioners that would be needed. We have purchased that specific model and brought it into Ontario and now we're enriching it. Nationally, the model used very simple data inputs. Because we have, actually, very good data here in Ontario, we're able to add a lot more information.

But what we're trying to do is not just use a population-to-NP ratio, because that can be very misleading. An NP working in a long-term-care home is very different from one in, say, a primary care setting. We're actually trying to say what type of team an NP can work in, what type of population they would be serving, and what the range of skills and opportunities they would bring is. Then the model can actually build quite a sophisticated set of scenarios for us.

With the increase in expansion—and again, we've gone from 75 to 150. We exceeded that number last year with an entry class of 156, and now we're climbing to 200.

So we're able to take all of that predicted supply—we actually have pretty good data on where all our existing 700-and-change nurse practitioners are—and feed all of that into the model. We'll be able to say in different types of settings—rural, urban—and different types of sectors—acute, primary care, long-term care and things like that—what the role is and what potential numbers of nurse practitioners we could see in the future.

Mr. France Gélinas: Very good. If you could stay there, my next question is—actually, through you, and you can decide, Mr. Minister—on if there are targets for midwives. We know that 60% of people who wanted midwives were not able to secure one. Certainly we know that they also save the health care system between \$800 and \$1,800. Is there a target for midwives?

Hon. George Smitherman: Well, I'll let Dr. Tepper follow up with more specifics, but certainly you could almost supplement an answer about nurse practitioners with an answer about midwives. If you look at the growth in midwifery from the standpoint of funded positions—the individual compensation, which has gone up quite substantially, and the increase in the number of seats where we're training more midwives—we are seeking to try and satiate the demand that's out there on the part of

patients. We fall short, of course; we haven't been able to meet that yet. But you can see from the investment stream that we're pretty dedicated to enhancing access to midwifery in the province.

Dr. Tepper may be able to provide some greater insights.

Mr. France Gélinas: Where would I see this investment stream that you're talking about?

Hon. George Smitherman: Someone smart will pass me a note and I will tell you.

Mr. Ron Sapsford: In terms of the educational fees?

Mr. France Gélinas: No, the minister seems to be talking about funding positions for midwifery, actually delivering here.

Dr. Joshua Tepper: The funding between the education and the clinical practice is linked, so when we increase the number of seats, as we did last year at the same time that we increased NPs, we also predict, following graduation, an increase in their practice salary. There's a really tight correlation between how many people we have in training and the number of practice positions we have.

There are three groups of providers who provide obstetrical care. I still deliver babies one night a week, so I work with midwives at Mount Sinai. So there are family doctors like myself, obstetricians and midwives.

I think you're right: In some areas you do see more demand for midwives than we have supply, but in other areas of the province we actually see midwives not even meeting their cap, and in other places we'd like to see midwives and we don't have any. So there's a range of issues and it's a range of trying to build the right supports. Midwives work in a team-based model, just like nurse practitioners, and we want to make sure that all of those providers—family doctors, obstetricians and midwives—are working in a really collaborative fashion to their appropriate and full scope of practice.

More than just an issue of numbers is an issue of the model and trying to get that model right, and again, given the difference between delivering in a northern or a smaller community versus an urban community, the types of interprofessional models you need do vary slightly, or more than slightly, as well. So again, I think midwives is another area, per the minister's comments, where we have seen significant growth both on the training side and automatically translated through into practice.

Mr. France Gélinas: For the model you were talking about for nurse practitioners, is there work that's being done so that we know the targets of how many midwives Ontario needs?

Dr. Joshua Tepper: It's not the same piece of software. There were a number of studies done, actually, around obstetrical care and maternal-child care a couple of years ago; in fact, several studies that all converged at about the same time. They all did a number of modelling studies. Anne Biringer, for example, at Mount Sinai led one very important work through the Women's Health Council. They have done a series of models as well.

Again, the population or the birth rate varies quite substantially, depending on what part of the province you look at. Some parts of the province have a very sharply declining birth rate, and in other parts of the province there's quite a sharp increase. So it's not just a matter of overall provincial supply, but really looking at where those providers will be in terms of the model.

We do have some models; I wouldn't say they're quite as sophisticated as the one I referred to on the nurse practitioner side, but we have done some pretty good modelling. Again, there are some real issues around the difference between, say, some of the broad GTAs and then certain communities in other parts of the province, where the arrows are pointing in opposite directions for what our birthing and maternal trial needs will be.

Hon. George Smitherman: I have some of the dollar amounts with me if you'd like. It's on page 81, in the "Ontario health insurance" line.

Really, you could say that our policy works like this: They graduate, and we hire them. The anticipated growth this year is 75.

If you find the line "midwifery services," the pattern it shows is like this: In 2006-07, the actuals were \$58 million; in 2008-09, the estimate is \$88 million. You can really see exponential growth. It went from \$58 million in 2006-07, interim actuals of \$65 million in 2007-08, and a projected estimate in 2008-09 of \$88 million. So we're really seeking to take advantage. That is not a human resource that, once it is available, has to wait too long, looking for opportunities. We're really taking advantage of new midwives as they are trained.

0950

M^{me} France Gélinas: Okay, thank you.

My next series of questions has to do with physicians. We still have lots of fee-for-service physicians in Ontario. According to most studies related to chronic disease management or others, they perform the worst in terms of including non-physicians on their team, as well as using electronic records and being able to provide best practice in chronic disease management etc.

What proportion of Ontario physicians are fee-for-service versus other models, whether they be blended models, salaried models etc.? What proportion are still strictly fee-for-service?

Hon. George Smitherman: I don't have those numbers top of mind, but we will get them for you. But I understand that you're in the second phase of a medicare mindset and I really think it's important to let you know about one initiative that we have undertaken. It might be something that you'll want to go and take a look at, because some of the fee-for-service physicians have expressed, through the OMA, a substantial amount of concern that our family health team model aligns additional professionals and enhances the comprehensiveness of the care that people could receive and that the fee-for-service models haven't really had very many of those advantages.

We have initiated some pilots, shared-care pilot sites—there are six of them in Ontario—where phy-

sicians have the advantage of allied health professionals working alongside them. There is one that I visited in the Jane-Finch community, where they have a very high ratio of patients in that practice who are experiencing cardiovascular challenges, diabetes etc. Similarly, I visited one just a few Saturdays ago in the Hawkesbury community, where Dr. Renée Arnold, who is the current president of the College of Family Physicians of Canada, has a shared-care pilot site where they're using allied health professionals like kinesiologists very successfully to assist people with COPD. They were telling me about some of the remarkable improvement that those patients have been able to engage.

Certainly, our focus has been substantially on evolving models of group practice, an interdisciplinary approach, but we've also started to unlock some of the opportunities to deliver more health care resources alongside fee-for-service physicians to enhance the comprehensiveness of the care that they can provide.

For me, I understand exactly where you're coming from, from a value standpoint, but I just want to say that as a Minister of Health, I have a singular obligation—I have many, but this one with respect to physicians needs to be, I think, taken very, very seriously. Ontario has thousands of physicians, and patients love them in the model of practice in which they are currently practising. We can incent them and encourage them to evolve to other forms of practice, and no physician group in the country has evolved like Ontario primary care physicians have. When we give you the numbers about the evolution to group practice etc., it has been extraordinary. But I also have an obligation to try to make sure that those doctors who are practising in that model feel rewarded and acknowledged. It's my obligation to do all that I can to keep them in practice for as long as we possibly can. If someone is a late-career doc and has been practising one way for a substantially long time, I'm not interested in sending a signal to them that the model of practice is outdated and that they should head for the hills. We need them on duty.

We're always trying to strike that balance. We love our doctors and we will support many different practice models, because patients love them too.

M^{me} France Gélinas: In that balance, do you set targets as to, "By 2009, we'd like to see that proportion working outside of fee for service," into whatever alternative model of—

Hon. George Smitherman: No. I think a greater bias has been toward creating more and more alternatives where doctors are working in group practice so that they can expand their capacities to support people after hours and so that they can sustain their practices by supporting each other after hours, rather than having doctors who are working alone and bearing the burden of being on call etc.

I think many of our standalone fee-for-service practitioners are in some ways the unspoken heroes of health care. I've seen them sustaining health care services in a lot of communities in Ontario. As long as I'm minister,

I'm not going to be involved in setting some target that sends a message that I'm trying to move Dr. X out of that mode of practice. If Dr. X is practising that way and his patients have enjoyed a relationship with him on that basis for a period of time, I'm going to be very respectful of that. I've been very clear with the Ontario Medical Association about that. But certainly through our first agreement we sought to incent a model of group and interdisciplinary practice. Those are things that we believe in, and family health teams are something that we're extraordinarily proud of.

M^{me} France Gélinas: Okay.

The Vice-Chair (Mr. Garfield Dunlop): You have three minutes for this round.

M^{me} France Gélinas: Three minutes. How can that be? Equity: How is the government ensuring that equity issues are being taken into account when setting funding levels for primary care programs? Here I talk about equity within the different LHINs, but I also talk about equity within a special population. First Nations certainly come to my mind where I come from etc.

Hon. George Smitherman: Firstly, on matters of First Nations in the context of primary care, we've got to be very clear to acknowledge that the federal government, particularly for those on-reserve populations, has the leadership responsibility for the delivery of primary care services. In terms of equity, the deputy and others may be able to offer some different approach to this answer.

What the initiatives in place have sought to do is, by designation of communities that had a lower-than-appropriate number of physicians practising in those environments, there has been this underserved model which has sought to create some range of incentives to encourage more people to practise. We've taken that so many steps forward. On Sunday afternoon I was in Sudbury. I was also in your riding, visiting my in-laws and getting some good barbecue.

We've also spent a lot of resources building a model of distributive education for practitioners. If you want to deliver equity, you can incent that, but we also think that part of the incentive is actually training people in the very communities that are in need of service. We've taken the Northern Ontario School of Medicine approach and extended that to areas of southern Ontario which also have challenges. In the Niagara region, in Kitchener-Waterloo and in Windsor, satellite medical schools are emerging and taking students. We think this will also be very helpful in addressing access to equitable health services for the people of Ontario.

The Vice-Chair (Mr. Garfield Dunlop): I think that pretty well cleans up your time in this rotation.

M^{me} France Gélinas: When the numbers come back for that question, I'd like equity outside of northern and rural, but also equity based on income, poverty etc. Do we track this?

Hon. George Smitherman: Yes. We'll get you more information. The allocation of community health centres, as one example, is based on an understanding of what the

underlying disadvantages are in some of those communities. We'll get you a more fulsome answer.

M^{me} France Gélinas: Thank you.

The Vice-Chair (Mr. Garfield Dunlop): The members of the committee will have an opportunity now to have the governing party and the official opposition for 20 minutes each, and that will take us to the end of the session this morning, just in time for five minutes before question period begins. Mr. Rinaldi.

Mr. Lou Rinaldi: Mr. Craitor.

Mr. Kim Craitor: Good morning, Minister. I have 450 questions I'd like to ask you.

Interjections.

Mr. Kim Craitor: At least you're smiling. That's good.

Hon. George Smitherman: That's a grimace.

Mr. Kim Craitor: I do have some questions that I hear people in my riding of Niagara Falls ask me all the time. I think it's really a good opportunity for you to maybe speak on them. The one I'm asked a lot about is the Ontario drug benefit program. A couple of things in how the program works: Just to tell you, many people believe literally that the Minister of Health just arbitrarily makes a decision himself or herself on the coverage of a drug, that they just decide which one should or shouldn't be covered. Many people are not aware that there is a process involved that we follow stringently when trying to determine which drugs we're able to cover, which ones are being recommended. I just wonder if you'd take a couple of minutes, before I go through the rest of the questions, just to go through that process.

1000

Hon. George Smitherman: I'm going to take a stab at it, but I'm also going to call up Helen Stevenson, our assistant deputy minister of drug programs. As my colleague from the official opposition and a former Minister of Health would know, some days you wish as a minister that you did have the power and other days you wish you had even less.

It's a little bit of a no-win situation because there are always going to be products that Health Canada has approved that are not on provincial drug formularies. There are thousands of those products and more every single day, and it's confusing to people. They say, "Well, Health Canada approved it. What is your problem?" Helen will be able to give you more information about how that process works.

One thing our initiative Bill 102 did, which we're in the midst of implementing now, that I hope can be helpful to Ontarians, because a lot of people are mystified by this process, is that we're adding a Citizens' Council. We're actually selecting people from Ontario, average Ontarians, to offer some guidance to the program around principles etc., to kind of draw the curtains back and let people in to have a glimpse of a process that is very often made out, by the media, to be about an issue that is at the discretion of the Minister of Health, and with questions posed relating to compassion etc.

Maybe Helen could offer some insights into this.

Ms. Helen Stevenson: I just thought I would begin a little bit with the timing of those reforms. As many of you know, in April 2006 Bill 102, the Transparent Drug System for Patients Act, was tabled in the Legislature and received royal assent in June 2006, and subsequently came into force in October 2006. There have been many, many significant improvements that have been brought forward into the system, and I'll speak just specifically to the ones we've implemented to improve access to drugs.

Firstly, just to speak to the whole issue about how decisions are made, we have an expert committee called the committee to evaluate drugs. As part of the improvements in the system, one of the things we did was to expand the terms of reference for that committee.

Mostly notably, what we did was to mandate the inclusion of two patient members on the committee who are there really to represent the impact of a disease on patients. The terms themselves also include as new criteria that not only does the committee look at the clinical effectiveness, they also look at the cost-effectiveness. We look at the impact of the drug on other services in the health system and also at the impact on patients.

The committee itself does a very thorough review of all the evidence and the cost-effectiveness etc., and they provide a recommendation to the executive officer, which is the role that I fill. We often listen to the concerns of a lot of the patient groups who either write in or have meetings with us and take that into consideration as well when we're making our decisions. As part of input from the team, I take into consideration not only that analysis but also the recommendation from the committee to evaluate drugs, as well as the public interest, which is part of my role, and then ultimately make a decision.

Our decisions are very much based on evidence. We do absolutely consider cost because we are to manage within a fixed budget. I would like to acknowledge that the decisions actually are often difficult. They often involve a lot of conflicting values. But it is my mandate and the mandate of our division to really focus it on the clinical efficacy, the scientific evidence and the cost-effectiveness.

I just want to mention too: Another major improvement that we implemented was around being able to list or fund drugs in different ways. In the past we had a very fixed mechanism by which we funded drugs, and we've now been able to expand that by conditionally listing drugs, which means that we enter into agreements with manufacturers that have a lot of different components in them, such as financial terms, such as being able to craft out, for instance, a very specific population for which we will fund that drug.

We continue also, just as a point, to work very hard on the exceptional access program, which is the former section 8 program, which has absolutely changed, although there have been a lot of behind-the-scenes improvements that have been made that we recognize aren't always obvious to external people. Some of those include, for instance, a web-based system that we're

working on. So we're very much going to streamline that whole process, as well as implementing a phone-based system for some very targeted drugs that we fund.

I just also want to mention too this role of executive officer, which, as I mentioned, currently I fill. It has also facilitated some major improvements as well in the sense that we're now able to enter into some very detailed negotiations with pharmaceutical manufacturers. It also means that I have the authority to make the final decisions, which has really dramatically increased the time with which we get a recommendation and are then able to start funding that drug. It has also meant that we are publishing updates to our formulary on a monthly basis.

Hon. George Smitherman: Maybe we could see if he's got a follow-up, because I'm a little bit worried that we're giving him so much stuff—no chart or anything. I don't know how absorbable all of that is. Are there follow-ups on that?

Mr. Kim Craiton: Yeah, I do. The questions and answers are really for the public to hear this, because they'll come in and they'll say, "Well, Alberta's covering it, but we're not," or "We're covering a drug, and Alberta isn't covering a drug." The public has difficulty understanding why different drugs are being covered across Canada. The average person does not understand the process that it goes through, and that's really what I was trying to get at, for the average person to understand how a drug becomes covered by the province of Ontario. Because all the provinces have their own systems in determining which drugs they're going to cover; we have ours, that it's all clinically driven, right?

Let's just go through this. For a drug company, they're the ones that will come in and, after it's approved through Health Canada, then try to show us through clinical evidence that their drug should be covered. That's how the process starts. That's how it gets to you?

Ms. Helen Stevenson: That's correct. The manufacturer would put a submission to us, and that goes to our expert committee and then through the process.

Mr. Kim Craiton: The public's perception is, because it's covered by Health Canada, then why don't we just cover it automatically?

Hon. George Smitherman: Not covered; approved.

Mr. Kim Craiton: I mean approved. Thank you.

Hon. George Smitherman: If it was covered, we'd be all set.

Mr. Kim Craiton: Yes. But that's the perception out there. So every province looks at it in a different way or a similar way and decides if they're going to recognize it and cover it in their province. You're explaining how we go about doing it here in Ontario.

Ms. Helen Stevenson: Right. I'll just make three quick points in response to that. First of all, actually since October 2006 when the bill came into force, we've funded 155; so until May 2008, 155 new brand name drugs and over 200 new generic drugs. So we have dramatically added to the number of drugs that we now fund in Ontario.

As it relates to other provinces, there are actually differences. Of the programs that we cover, the largest program is the Ontario drug benefit program, which covers seniors and people on social assistance, long-term care etc. In other provinces, they cover different groups of citizens, so there is a difference there. Some of the drugs that they fund would be targeted to the beneficiaries of their public program, which aren't necessarily the same as our public program.

There are also big differences in things like copays and deductibles etc. All of those really add to the complexity of being able to compare what BC funds compared to what we fund, because there are so many other pieces that are part of it.

Then, my third quick point is that in response to the public, for instance, we now publish on our website the recommendations from our expert committee, as well as the actual decisions and all of the rationale. I happen to have brought an annual report that we've now just published that I will hand out that is for the public to really better understand, first of all, what has been implemented since October 2006 when the act came into force, but also really in an effort to dramatically improve the transparency around the program and how we make those decisions.

Mr. Kim Craiton: I don't have the figures, but what's the cost of the program for last year?

Ms. Helen Stevenson: It's \$3.5 billion.

Mr. Kim Craiton: And since we've been in government, do you have an idea roughly how much it's increased?

Ms. Helen Stevenson: I can grab my book.

1010

Hon. George Smitherman: "Hundreds of millions" is one good answer, but we'll get you an absolute number.

I should also make the point, without getting into discussion of any individual drug product, that when I first became Minister of Health—and perhaps this is an experience shared by my colleague who also served—I very often used to have the executive of a drug company who would say, "We kind of have a special on this product right now." The head office would say, "We want to drive the worldwide mandate of product X, and accordingly we have an opportunity to offer you a discount off the list price," which they would not typically acknowledge to their competitors that they were doing. There was actually really no mechanism. I didn't really have a mechanism, as Minister of Health, to send them anywhere that that kind of a conversation could ensue.

Now, since the alterations we've made as a result of Bill 102, which have embedded very, very serious responsibilities—in this case, Helen Stevenson—there's a capacity for a conversation. She mentioned before that now we can do agreements where we protect ourselves against a runaway train of utilization so that we can say specifically, "Will we really see that that drug, for this subset of the population, could be extraordinarily beneficial?" An agreement can now be structured on that basis that takes the best possible advantage of the drug

product as it's available and creates some pressure on the manufacturer to watch how the volumes are unfolding etc.

They have a lot of power out there, we have to acknowledge. They have big sales forces, a lot of engagement with individuals that do prescribing and the like, so that our sophistication has emerged quite a bit.

Ms. Helen Stevenson: Can I just respond to the member about the growth? In 2003-04 it was \$2.3 billion. As I mentioned, it was approximately \$3.1 billion in 2007-08 and forecasted at \$3.6 billion in 2008-09.

Mr. Kim Craiton: The other question I have is about the creation of the—how much time do I have, Mr. Chair?

The Vice-Chair (Mr. Garfield Dunlop): You have about seven minutes.

Mr. Kim Craiton: Thank you—the creation of the Citizens' Council, the one that will be meeting twice annually. Can you kind of just walk through that again, for the public to hear what that's involved with and what the benefits are of that creation?

Ms. Helen Stevenson: Absolutely. The Citizens' Council, as the minister mentioned, is going to comprise 25 Ontarians. We're really trying to reach out to all ages and educational backgrounds and different cultural backgrounds etc. They will be coming together two times a year, at which time we will give them a topic to be able to discuss. The intention is that this group of people would not necessarily come to a consensus at the end of the two-day meeting, but rather that they would discuss the topic; they would hear from experts, for instance, around the different issues that surround that topic and they would deliberate and discuss and provide their opinions. What we're really looking for at the end of that meeting would be a report that summarizes the opinions, that summarizes some of the issues they struggled with, and how their views may or may not have changed as a result of that discussion.

Mr. Kim Craiton: Mr. Minister, I have one other question. I've been asked this many times and I think I've asked you this, maybe just sitting side by side in the House in the evening, but I'd like to ask it formally in estimates. I'm often asked by the public, is there any mechanism where at the end of the year they could receive something from the government—not from the party; just the government—that simply says, "Thank you. We're pleased to provide you with health care services for the year" and then gives them a perception of the cost of it?

It really jumped out at me when I went through my own situation with my health care, with my illness. Maybe it's because it's hard for people not to know that you're an MPP. You don't tell them, but they find that out when you're in the hospital. I remember asking questions as I went through the process: "How much is the MRI?" "How much is a CAT scan?" "How much was my hospital stay?" "How much did it cost per day?" "How much were the radiation treatments?" I kind of got an idea, because the different providers were kind enough

to just tell me, and I'm sure I was in the \$50,000-plus range, just for one person to get health care.

Sometimes, when I was listening to that, I reflected on this question that was always asked to me by the public and I thought, wouldn't it be interesting if the public at least had a bit of a perception of the cost of health care? Not that you don't want to provide it and not that it's important; it's just so that they at least have a perception, because the average person has no perception of what the cost of health care is.

It's a long-winded question—

Hon. George Smitherman: No, it's a very hard question because the answer doesn't meet up with people's common sense. As a matter of common sense, you'd think, "Okay, you have a big health care system here. At the end of the year, please send me, as an individual Ontarian, a statement of the costs associated with the services that were provided in my name." I guess—and maybe I'm putting Helen on the spot slightly here—that it's relatively more possible to do that, you'd think, as a—if I was a client looking at the Ontario drug benefit, it would probably be a little bit easier to zone in on exactly what that number is.

The reason that it gets so difficult is—we were talking about hospitals extensively a few minutes ago. We're going to spend \$14.5 billion in hospitals this year, and a substantial portion of what's spent in those hospitals is spent on a global budget basis. Not all hospitals have got exactly the same costs associated with the provision of a colonoscopy, as a small example. So even though that's something that I'd spoken about long before I even had a chance to be an MPP here, when I've pressed people inside my ministry to be able to do that, the answer comes back telling me about all the reasons why it's not practical or possible to do so.

We do pieces of it. For instance, as part of our OHIP verification process—I had this once at least as an OHIP client: I received a letter from OHIP asking me to confirm that on a particular date a health care provider had delivered service X. But I don't even think that at that point it had a valuation on it.

To the best of my knowledge, no, we don't have that capability. But I think that the deputy, with his long-standing perspective, may be able to tell us better why or why not.

The Vice-Chair (Mr. Garfield Dunlop): We're down to a couple of minutes, guys.

Mr. Ron Sapsford: I think the minister has covered it, basically. In certain programs where the ministry keeps track of expenditures by individual residents of the province, it's relatively easy. But in different parts of the health care system—community services would be one area; in the home care programs, in mental health programs—we don't have the information systems in place that allow us to keep track of service by individual patient in all cases.

In hospitals, the ministry doesn't ever know individual service care. We get cumulative information. For us to actually identify one person and then add up all the

services and costs across all the health care programs is simply an information system that doesn't exist. As the minister said, it's in pieces. I'm not saying that it can't be done, but in order to do it we would have to spend a fair amount of money to create that kind of a system and reporting mechanism.

Hon. George Smitherman: The emergence of the electronic health record, which creates the capacity in one place for that information to flow, is one piece, as best as I can see it, of a two-part puzzle. The second piece is the costing out of thousands and thousands of distinct events and procedures, with some variation across hospitals, because a high-volume hospital may be able to do procedure X for a price at some discount compared to a lower-volume hospital. The electronic health record is the emergence of that central place where all the information settles, but this kind of year-end statement capacity is some ways off yet.

The Vice-Chair (Mr. Garfield Dunlop): Thank you so much to the governing party. Mr. Craitor, you'll be here most of the summer if you want to get all 400 questions in. We won't be with you.

1020

Hon. George Smitherman: He'll have to have me down to his community, Mr. Chair.

The Vice-Chair (Mr. Garfield Dunlop): Right on. That's for the time at the golf course down there.

We'll wind up the session this morning with 20 minutes from the official opposition. Mrs. Witmer, you can go ahead now.

Mrs. Elizabeth Witmer: That's an interesting discussion when it comes to sharing with the public the costs that they have incurred and been reimbursed for by the government. I'm not sure, if they got all the information, if they could actually appreciate it. There's a lot there.

I'm going to continue. I was on the Public Hospitals Act, and I asked for an update on the hospitals that were in compliance and had set up a fiscal advisory committee. I guess I would also ask for a list, Minister, of the hospital boards that, if they have set up these committees, have actually received recommendations from their fiscal advisory committees. Then I would go on and ask you to provide me with a breakdown of the base funding that has been provided to each hospital by their LHIN. I would further ask for a list of the breakdown of the \$30 million in growth funding, where it has gone and how much to each hospital, as well as a breakdown of where the \$96.2 million in post-construction operating program funding went.

Then I want to shift my focus—

Hon. George Smitherman: Could I just make a comment?

Mrs. Elizabeth Witmer: Yes.

Hon. George Smitherman: No problem. We'll start to get that together. Just two slight caveats: On the growth funding, we already had a conversation about that. You also asked a question, which was, how many have not yet signed their HAPS allocation or their HAPS

agreement? On the one hand, you're asking to know their allocation for 2008-09, which we will happily provide, but please keep in mind that you're asking us to provide you with information that some hospitals will not have signed off on yet. I just want to make clear that as we bring that information forward, some of this is still a matter of conversation, which makes slightly more dangerous—I don't know if we can asterisk it some way, but I think it's just important to note as that information comes forward. There is a slight state of flux around some pieces of it.

Mrs. Elizabeth Witmer: I'm going to turn now to the 10-year strategic plan. Minister, in Hansard, on December 20, 2006, you stated that you were going to release that 10-year plan in the spring of 2007. Since that time, we know there has been some consultation. It says that you're continuing to develop it. However, in the budget this year the 10-year strategic plan was not mentioned. It was not released, as you had indicated, in the spring of 2007. So I ask you, what is the status of the 10-year strategic plan? As you know, it was intended to guide the work of the LHINs, of the hospitals, of the CCACs and of the other health care agencies. Really, without that 10-year strategic plan, they have been left without a clear sense of how the government intends to meet the challenges of increasing costs. We've heard about the increasing drug costs, we know about the aging population, we know we've got crowded emergency rooms, we know we've got lots of people in hospitals who should be in alternative levels of care, and we have problems with the recruiting and retaining of health professionals. But suddenly the 10-year strategic plan has disappeared—not mentioned. What's happened?

Hon. George Smitherman: It's true to say, and I have to take the responsibility that we haven't hit our marks on this. The plan will be coming out this year; the deputy will zone in on a more particular date.

Firstly, we're the first ones who have undertaken this. I think that the difficulty that we were in, to be direct with you, was that the window last year got too close to the election. I certainly didn't want the work of the ministry in any way to be drawn into—because it is so substantial, as a going-forward direction and trying to get everybody on the same page based on all of the consultations that have been done. I didn't want to have a document out there in what was basically an intensely partisan period in the run-up to the election. That's why it'll be coming forward this year.

Many, many groups have had an opportunity to work with the ministry on its emergence. The deputy might be able to give you just a little more information on when we can expect it to go live, as they say.

Mr. Ron Sapsford: Chair, we've tried in this particular document to make a serious attempt to set directions in a number of different areas. We've used quite a detailed process. It started with the development of a range of topics that would be included. I think there were up to 13 or 14 different topics originally. We had specific papers written on each of these topics, all the way from

health human resources to technology, its uses and application, and then through a process of distilling that down into a working document.

One of the key questions that we face in this strategic document is to what extent do we set targets and benchmarks for the future. So the second part of it, most intensely in the last six or eight months, has been around the question of setting benchmarks and targets, how to display that and how to portray that as part of the strategic plan.

That work is finishing now. As the minister said, the government's direction will come out some time, I suspect in the next several months. But the work has been long and intense. We've done a huge amount of consultation, from groups of six or eight, in terms of special expertise, to groups of 200 and 300 that we've consulted in broad discussions about strategy and targets.

Mrs. Elizabeth Witmer: Well, I guess this plan is important, as I've indicated. Of course, there is a mandatory obligation under the Local Health System Integration Act that such a plan be produced.

I guess we were rather surprised that the website www.ourplanforhealth.ca is no longer active. We couldn't find the web page. Does that mean that you have now stopped consulting with the public and with stakeholders? Is the work that you're doing now focused on completing this plan?

Mr. Ron Sapsford: Yes. The original intent of the website was to engage in that dialogue and to receive input from the public and others. That part of the work is now substantially complete.

Mrs. Elizabeth Witmer: I guess I would also ask you: You weren't able to meet what I guess was a very ambitious plan, and to share with LHINs and others this plan last year, in the spring. Are you also going to be releasing at the same time a three-year or a five-year plan?

Mr. Ron Sapsford: Together with the—

Mrs. Elizabeth Witmer: Ten-year.

Mr. Ron Sapsford: No. The cycle of three-year planning deals specifically with local health integration network planning. The ministry uses the results of that work to assist us in policy, as well as fiscal planning, for the results-based planning process. The internal estimates, year over year, and out for the next three to four years, are based to a degree on the work that the LHINs are doing in their three-year planning cycles.

Mrs. Elizabeth Witmer: So who, then, is currently working on this overdue plan? The ministry staff, consultants? Who's involved?

Mr. Ron Sapsford: Yes, it's being led in the ministry's policy division.

Mrs. Elizabeth Witmer: Okay, and you've indicated it will be released in several months. Can you be more specific, Deputy?

Mr. Ron Sapsford: Not at this point. We have to go through final review of the plan with the government and then a plan for its orderly release, so we're right at the

point of bringing it forward to government for its consideration.

Mrs. Elizabeth Witmer: I guess this is somewhat concerning. We've talked about the increasing cost of health care. We know that currently the government is spending 46 cents of every program dollar on health care. I guess it's really important that the public knows, and that we know, that we're getting value.

We know that in 2009-10, that's going to increase to \$42.4 billion, and in 2010-11, it's going to increase to \$44.7 billion. I think it is absolutely critical that we have a plan that will allow us to be accountable to the public for the expenditure, and also guide the LHINs and others in their decision-making. I hope that we will see that plan earlier as opposed to later.

1030

Hon. George Smitherman: Just on the matter, though, I wouldn't want for the honourable member to conclude that people in health care are not focused on the priorities that the government has established. To be very, very clear, since the election I have been aligning resources behind the battle to address two primary objectives on behalf of patients in the province of Ontario; that is, the continued reduction of wait times with a particular focus on hospital emergency rooms. That's under the leadership of Dr. Hudson and well supported by many other health care bright lights.

The second is family health care for all. We've made great progress, alongside our partners, in delivery of primary care, community health centres, family health teams, nurse practitioner-led clinics and doctors picking up more patients at the community level; 650,000 more people have access to family health care. We feel very confident that over the next four years, we can substantively address those 400,000 people in Ontario still looking for a doctor according to the recent work of the Ontario Health Quality Council report.

I definitely agree with your comments with respect to the necessity of the strategic plan, helping to set the vision far enough in the future that people can lift up their heads and have that vision in mind. Have no doubt that the government's priorities are well established, and that across the LHINs and the ministry, people are aligning their efforts behind those two primary objectives that we seek on behalf of patients.

Mrs. Elizabeth Witmer: Thank you very much for those comments. I would stress the fact that we need the plan sooner as opposed to later. When we take a look at our hospitals and we see that in some instances 30% of our beds are occupied by patients who would be better served elsewhere, I think it helps us all to realize that we need to be able to address this situation sooner as opposed to later. In the absence of a long-range plan, sometimes it's difficult to do more, and sometimes we simply end up reacting and solving problems of today as opposed to moving forward into the future.

I guess I would just like to ask you: When it comes to these beds that are filled, when are we going to see a comprehensive plan to deal with those patients who are

currently languishing in the acute care beds? When are we going to see—

Hon. George Smitherman: I'm slightly disappointed that the honourable member hasn't had an opportunity to absorb the information from our initiatives of just a week ago last Friday, I believe it was. There are two or three things that I think are important on this issue of ALC patients.

Number one, the member has quoted a figure of 30%, and certainly on some days in certain health care organizations, those numbers are hit, but overall, the numbers across health care are almost half of that at approximately 18%. There are three initiatives, which I'll tell the honourable member form a comprehensive strategy to address alternate-level-of-care patients. Firstly, there are more than 2,000 long-term-care beds, in development—brand new beds, that is—in the province of Ontario—

Mrs. Elizabeth Witmer: How many?

Hon. George Smitherman: More than 2,000. We'll get you the exact list and numbers. Those are in Ottawa, Kingston, Tweed, Trenton, London, Niagara, Sudbury, Windsor and Thunder Bay. I might've missed one place. Yes, I did; they are in Bradford. We'll be happy to provide that list.

The second piece is aging-at-home resources, which will total \$1.1 billion in new resources over four fiscal years, will begin to flow with the rollout of those programs, which will take place within two weeks.

In our announcement last week with respect to emergency rooms, we have made substantial progress in arming our home care capacity with a greater degree of flexibility to enhance the hours of care they provide to support more people in their own homes or to return to their homes from the hospital. Alongside that, on the issue of comprehensiveness, are a series of other strategies which are designed to stabilize patients where they are now. For example, the mobile teams of nurse practitioners go to long-term-care homes rather than see the residents of long-term-care homes transferred to the emergency rooms. These are all part and parcel of a comprehensive strategy to address ALC.

Mrs. Elizabeth Witmer: I was at the announcement in my home community of Kitchener–Waterloo. I'm well aware of what was contained therein. I would suggest to you that it wasn't totally comprehensive; I've had an opportunity since then to talk to some of the nurses and doctors in emergency who actually approached me and indicated that this wasn't going to deal with the total problem in a comprehensive way. I also contacted our LHINs. They weren't able to give me any information as to how many people this would deal with. We've had lots of announcements, but we don't see any real people being helped, and I guess that's the concern.

Hon. George Smitherman: Well, that's a disappointing characterization because more than 100,000 additional people in Ontario are receiving home care this year than in 2003-04. I think it is easy to hide behind words saying that that was an announceable or what have you, but there's evidence that abounds about the enhance-

ments to health care services that are out there. I'll have to do a better job of pointing some of those out to the honourable member.

Mrs. Elizabeth Witmer: Well, I'd certainly appreciate that.

The Vice-Chair (Mr. Garfield Dunlop): You're down to three and a half minutes.

Hon. George Smitherman: Grand River Hospital may have been one of those places where you were speaking to people. That hospital emergency room, in the last year or two, has seen substantial reductions in its waits, it's seen substantial reductions in patients leaving without being seen and it's seen substantial increases of being able to sign up a regiment of doctors who are prepared to work in that emergency room environment. We do know that even in the honourable member's local context, there has been some pretty substantive improvement in one of those areas where there has been tremendous need for improvement.

Mrs. Elizabeth Witmer: Yes, and we were happy to see that the government finally recognized that the emergency room doctors required an increase in their salary. That certainly has contributed to the fact that we're now able to fill some of those positions, because the remuneration wasn't the same as some of the other hospitals in the surrounding community.

I was also pleased to see there was additional funding for the CCAC. I think they do good work. They certainly have been underfunded, and there was a need for more resources and human resources as well.

Hon. George Smitherman: I believe in the year 2000, you may have been the Minister of Health when the CCAC budgets were frozen. I've been in the very fortunate position of being able to invest additional government resources in expanding home care each and every year that our government has been in office.

Mrs. Elizabeth Witmer: We appreciate that.

The Vice-Chair (Mr. Garfield Dunlop): We'll get a question and an answer, and we'll clean up for the session.

Mrs. Elizabeth Witmer: So I guess I hear you say that we'll actually be able to start to identify some numbers when it comes to the aging-at-home strategy. Right now, it has been announcements; we don't really know how many people are actually going to be helped. The LHINs aren't able to give us any numbers?

Hon. George Smitherman: Even more to the point on the ALC issue and rates of ALC, through the work of Dr. Hudson, assisted by Dr. Kevin Smith, whom you know very well, local health integration networks and local hospitals and the associated services that are necessary will be working together to establish targets with respect to ALC. They'll all be pressing forward to seek to make those improvements. We all know that good health care system performance can't occur as long as we have those high proportions of beds that are being used where people are best suited for care elsewhere. Some of those very numbers you're speaking about, alongside the comprehensive investments that are being made, will certainly be emerging through the leadership of Dr. Hudson and Dr. Kevin Smith.

Mrs. Elizabeth Witmer: Great. That's why we need a strategic plan, so that we can start to measure and make sure we're achieving our goals. Thank you.

The Vice-Chair (Mr. Garfield Dunlop): That just finishes our time this morning. I gave you the reason earlier why we wouldn't be able to meet this afternoon, so the committee will reconvene tomorrow afternoon at 4 o'clock.

I want to thank the minister and all the folks in administrative help for being here. With that, this meeting is adjourned.

The committee adjourned at 1039.

CONTENTS

Tuesday 10 June 2008

Ministry of Health and Long-Term Care	E-167
Hon. George Smitherman, minister	
Mr. Ron Sapsford, deputy minister	
Dr. Joshua Tepper, assistant deputy minister, health human resources strategy	
Ms. Helen Stevenson, assistant deputy minister/executive officer, Ontario public drug programs	

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Standing Committee on Estimates

Ministry of Health
and Long-Term Care

Comité permanent des budgets des dépenses

Ministère de la Santé et des Soins
de longue durée

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 11 June 2008

Mercredi 11 juin 2008

*The committee met at 1601 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Tim Hudak): Good afternoon, folks. Welcome back to the Standing Committee on Estimates, the afternoon meeting of Wednesday, June 11. When last we met, the official opposition had just completed its 20-minute rotation, so we'll start with the third party.

A couple of housecleaning matters: Folks, as you know, we cancelled yesterday's afternoon meeting because we had the opposition day motion on C. difficile, so obviously the critics and the minister and the PA would want to be following the debate in the Legislature. The consequence of that, however, is that we will need one additional day of this committee, which is Wednesday, June 18, as it stands today—the afternoon session. We currently have an hour and 15 minutes or so, so we'd meet from 4 till 5:15, as it stands today. There is a possibility that we may not have to meet, but you'd have to have some sort of all-party agreement to drop time. I'll leave that in the hands of the critics and the parliamentary assistant if you want to negotiate something like that. Failing that, Minister and Deputy, we will require you back on Wednesday, June 18, for at least an additional hour and 15 minutes, depending on our timing today.

Mrs. Elizabeth Witmer: If the House isn't sitting on Wednesday?

The Chair (Mr. Tim Hudak): If the House recesses for the summer, we do not have permission to sit during the summer. We will come back according to the calendar in September, which means that health will carry over until the House resumes in the fall.

Mr. Gilles Bisson: Just on that, because there was a request by the subcommittee in order for us to meet during the intersession, that is more or less agreed on. It's just a matter of the subcommittee ordering up its business. The whips will work it out.

The Chair (Mr. Tim Hudak): We needed a motion in the Legislature, though, to enable us to meet earlier in September.

Mr. Gilles Bisson: Yes, and there was a discussion for that to happen. Hopefully, that'll get worked out, so what I'm saying is, hopefully that motion will be ready for next week. The subcommittee has already given some

dates in September, and if everything is okay, we can probably do that. We'll try to work it out during the next week.

The Chair (Mr. Tim Hudak): Okay. Just to update committee members, I did write on behalf of the subcommittee to the various House leaders to ask if we could meet earlier in September than the regular schedule and continue to meet in September even if the House doesn't sit at its regular time. Hopefully, we'll have a positive response from the House leaders, because we do need a motion in the assembly.

I think that's it for caretaking business. We now begin—

Mr. Lou Rinaldi: Just to follow up on your original suggestion of trying to wind things down: When do you suggest we have the discussion? At the end of this meeting?

The Chair (Mr. Tim Hudak): I think I'd prefer to have the leads for each party discuss offline, if you have a chance. If you can't work something out, we have that extra day, and if the House adjourns before Wednesday, June 18, it carries over to the fall.

Mr. Lou Rinaldi: Okay, thank you.

Mr. Gilles Bisson: Thank you, Chair. I'll hand the word over to my colleague, Mme Gélinas.

There's an agreement between the three parties—ourselves, the Liberals and the Conservatives—to stand down Mme Gélinas's rotation, because she has to be in two committees at the same time. She will move her motion. I don't think you need a motion, but you can try anyway.

Mme France Gélinas: I seek unanimous consent to talk—it was my turn, and I was very much looking forward to having my turn, but I have to be at Bill 69, so I was wondering if you could skip me. I still want to keep my 20 minutes; it would just be added on the next time it comes to me.

The Chair (Mr. Tim Hudak): Sure. That's not uncommon. So in the next rotation, Madame Gélinas would have 40 minutes as opposed to 20.

Hon. George Smitherman: How am I supposed to withstand that?

The Chair (Mr. Tim Hudak): I do need consent from the members of the committee. Any objections? Super. Okay, that's fine. We'll stand down the NDP's time until the next rotation, when they will get 40 minutes.

Hon. George Smitherman: Mr. Chair, I have two pieces of information that we've left with the clerk,

which are partial answers to some of those questions that have been posed so far.

In an exchange with Mrs. Witmer, I committed to get back to the committee with information from the public accounts of the detailed expenditures related to the health premium. I had also promised to supply a press release—which actually is issued in your name, Mr. Chair—which continually calls for the elimination of what you refer to as the so-called health tax. Mrs. Witmer had put on the public record that that was no longer the position of your party, but I was aware of this release and I have now provided to the clerk copies for all members of the committee, which has you reiterating calls for reductions in the health premium.

The Chair (Mr. Tim Hudak): The so-called health tax. Have we distributed the information to committee members? We're in the process of doing that? Okay. Minister, thank you very much.

We have government members for 20 minutes. Mr. Rinaldi.

Mr. Lou Rinaldi: Good afternoon, Minister. This is the first time we get to ask a question. Oh, sorry; Mr. Craitor did last time.

Mr. Kim Craitor: I asked one of my 464.

Mr. Lou Rinaldi: Your 464—so I can see that this is going to be a long session.

Minister, as you know, we've made a large commitment to engage Dr. Hudson in some extensive ways to reduce ER wait times. I know that in our 2008 budget, we included some \$180 million over the next three years to make continuous improvements in emergency department wait times to satisfy some of the patients' needs. You've also made an announcement about your plans for reducing ER wait times across the province. Can you give us a little bit more detail on what that entails?

Hon. George Smitherman: First, I want to say that emergency room wait times are challenging. Mrs. Witmer had the opportunity to grapple with them and so have we, with differing results. In some places, we can point to improvements, but overall, we'd have to conclude that they're not performing at a level that is satisfactory to us or, more particularly, to our patients, who own the public health care system.

We think that we can make good strides, and a good bit of our confidence is informed by the fact that Dr. Hudson and his team have made really great progress in reducing wait times for Ontarians. The Canadian Medical Association gave Ontario the highest rating of any jurisdiction in terms of that work.

Firstly, we've summoned the leadership capabilities of Dr. Hudson, and he's added already to his team with Dr. Schul from Sunnybrook and Kevin Smith, the CEO of St. Joe's in Hamilton, to make some progress on this.

Our budget initiatives over the next three years will include about \$180 million in additional resource targeted specifically to emergency rooms. The announcement that we had the privilege of making just about 10 days or so ago was the first tranche of resource, \$109 million, substantial amounts of which are dedicated to

enhancing the services which can be provided in environments outside of the emergency room but would have the effect of influencing what's happening there.

Emergency rooms very often struggle because they can't pass the patients along to the rest of the hospital. The reason for that is that patients who would be most appropriately cared for in other settings are in those beds in the hospital. So substantial resource is being driven to enhance the capacity for home care to take more responsibility for some of these patients who are in hospital beds but who could be at home with a greater degree of service. So we've moved forward with regulatory changes which raise the ceiling on the amount of care that community care access centres are able to coordinate on behalf of patients.

We've also taken initiatives which are designed to assist with ambulance off-load delays. In the Niagara press today, there are stories about ambulance off-load delays. We're making an initiative that the EMS approached us about, which will see the government paying for dedicated nursing resources that will take the place of paramedics so that paramedics won't be in a position where they have to wait with a stretcher while the patient is being transferred into the hospital but rather keep those ambulances rolling and able to respond to 911 calls. They'll be out on the road.

1610

We also have an initiative which is designed to try and stabilize individuals in the environment where they already are: long-term-care homes, which house 78,000 of our most vulnerable patients. Many transfer from long-term-care homes into the hospital environment. You could imagine that for an 83-year-old, on average, this is a very disruptive process. We're going to spend \$4.5 million to create teams of nurse practitioners or advanced practice nurses who will go and work in the long-term-care home environment to stabilize patients who would otherwise be under pressure to be transferred to the hospital environment.

In addition to that, \$22 million has been transferred to local health integration networks, which will, in partnership with all of the various provider organizations in their LHIN, develop strategies that are designed to reduce the burden of alternate-level-of-care patients, who are, at present, a substantial part of the challenge of the performance of hospital emergency rooms. Noteworthy is that the approach to fix the emergency room is in large measure about dedicating resources elsewhere in health care to improve the flow and process in the hospital emergency room environment.

Last week we made those strides with \$109 million. What we'll be adding to that is a toolbox of things that we expect hospitals to implement, focusing first on 23 hospitals in Ontario that have poorly-performing emergency rooms, tending to be our largest hospitals. Sometimes that's because they're dealing with a burden of patients which is quite high. We will be approaching it with what I would characterize a little bit as a carrot-and-stick approach: We will put some additional resources in

to try and augment some of the care that is available there, but we will also be making sure that those hospitals are taking strides along the lines of best practices which are well-known in the health care environment. We'll be adding to this with targets and actual measures of what's going on in the hospital emergency room.

I'm giving you a lot of information, but there's one thing that I really want to drive home: You can go to a hospital emergency room and receive timely care, but it doesn't necessarily guarantee that the patient's experience, the patient's satisfaction with the experience, is fantastic. We have to work on the amount of time that people spend, but we also feel that there's improvement that can be made in the nature of the environment that people are experiencing. We have some work to do to try and defuse some of the tensions that exist between health care workers and patients seeking care in emergency rooms, all with a view towards measurement not just of the quantitative—how long did it take?—but also the qualitative—how was the experience?

Substitute care in other environments is a big part of the process to reduce wait times in hospital emergency rooms.

Mr. Lou Rinaldi: I just wanted to add a comment from the riding I represent about the discussions I had on that issue with some of the folks who exercise the need of those emergency rooms. When you look from, say, the last four and a half years I've had the privilege to do that, one of the things that very commonly comes out is that when folks go to the emergency room, it is because they need it, so the expectations are very high. If the outcome is favourable, it tends to be, "Everything worked out great. We're happy," if you waited whatever the wait time was.

It's unfortunate that in many cases—professionals don't have a magic wand—it takes longer or maybe not, and that's the case. I agree with you that we need to help to deliver the more compassionate message for folks to understand, that it's not just the next person in the line and move on. I think that's a challenge. In general, I can tell you that at the three hospitals in my riding, the wait time for emergency is vastly improved, but we do have a lot of things to talk about. I just thought I'd pass that on.

I just want to switch course a bit, Minister, with aging at home. I can tell you before I ask the question that that's one of the things that's resonated so well, I guess not just within my riding but with anybody I talk to in the province. I have an example from personal experience: I had the unfortunate loss of my father about a year and a half ago. I have an 83-year-old mother. They lived together all their life, and her biggest fear was: "What do I do now?" We're very fortunate. She lives with my sister now and everything is great. But that was in the back of her mind for about a year after my father died: "What are my kids going to do with me now? Where am I going to go?" She has a couple of other brothers; it really plays, I would say, a mental game. They have time on their hands to think of those things.

I guess what I'm trying to say is that the folks I spoke to about this are just thrilled. We need to do a good job as

we roll it out. My question is, as we roll out the aging-at-home strategy in the direction that we've taken—we talk about the bigger picture, but I wonder if you could spend some time on how you see the vision of this rolling out and how it's going to impact these folks. I'm going to use my mother as an example.

Hon. George Smitherman: Many of us have aging parent experiences. My experience around this was shaped by some seniors whom I ran into very shortly after becoming Minister of Health. I was talking to them about long-term care, and they lined up at the microphone one after the next and said—I'm paraphrasing, but it came across to me like this: "Listen here, sonny boy: Maybe some of us will end up in long-term care, but don't make assumptions as a health care system that that's our destiny. We live independently in our own homes now, and that's the place we know and love the best and where we intend to see out all of our days. What are you going to do to help make that happen?"

Home care is part of that response, and over the last four years, I think home care has grown by about 50% and I think 100,000 additional Ontarians are receiving home care.

What aging at home is about is leveraging the capacity of communities to help to provide services which reduce the barriers to people being able to stay in their home. Some of it's about health care services, for sure. Home care has grown to become far more sophisticated in terms of the range of things that we can do. We support people with palliative care to pass on in their own homes. That's very complex care.

Aging at home is also about, as I mentioned a second ago, reducing barriers. I'll give you one example. I had a chance a couple of weeks ago to be at the Chrysler plant in Windsor, where we're purchasing 100 Dodge Caravans. We're going to put those on the road all across the province of Ontario. That's going to give us the capacity to do 135,000 additional drives to appointments. One of the things that your mum might need help with to be able to stay in the home she knows is to get to that appointment.

Shopping, snow shovelling, bathing, light maintenance, installing grab bars—very small things in the grand scheme of things, relatively inexpensive to deliver, but essential if we're going to have a formula which allows people to remain in their homes.

Aging at home will launch in the next 10 days. It will launch as a program this year with about a \$100-million budget. It will grow over the next two years to be a \$400-million-a-year program. It's \$1.1 billion in brand new funding over the next four years. It's going to support hundreds of distinct initiatives, many of them engaging the capacities of communities like we never have before—ethno-cultural communities, parish nursing. Wherever people find community, we see an opportunity, with a modest amount of government resources, to leverage the mindset and the voluntary capacities of those communities to reach up and to assist more of the folks with the kinds of things that they need, which makes that

formula of the desire to stay at home much more possible.

Mr. Lou Rinaldi: The expectations of that particular service delivery for those folks are very high. I know that it's going to benefit a lot of those folks like I just mentioned—my mother. I know that it bothered her physically and mentally. We'll certainly look forward to get that rolling out.

How much time do I have, Chair?

1620

The Chair (Mr. Tim Hudak): Still about 10 minutes or so. Sorry, my mistake: seven minutes.

Mr. Lou Rinaldi: That's fine.

Minister, I just want to talk about doctors who are not practising. We hear all sorts of numbers about orphan patients. We hear all sorts of numbers about doctors out there. I guess the question is: Can you tell us how many doctors are practising in Ontario today?

Before you answer that, I'll also give you a report—I refer to my riding again. I was in Campbellford about a month ago—I know you've visited Campbellford, Minister—and they have a fantastic family health team. It's grown in leaps and bounds. I met with a nurse practitioner during Nursing Week—actually, I wore a gown for a few hours—and the response has just been phenomenal. The family health team operates just across the road from the hospital, and I meet with the hospital CEO and chief of staff on a regular basis. They tell me that it's taken quite a load off of their emergency room, because it's a small rural hospital and they've got limited resources and capability. They are just thrilled.

The other piece—although it's partially out of my riding, Minister. We talk about primary health care or delivery. I think I mentioned this once before: that about a month ago I was at the air base in Trenton, and the family health team there from Prince Edward county, which is in Leona's riding, is doing some wonderful work to catch some of those orphan patients. As you know, the Trenton air force base, 8 Wing-Trenton, is the biggest air base in Canada right now. There are a lot of new families and there are a lot of families without a physician, but they absorbed 600 orphan patients as a first round.

I'm just reporting what's happening out there, but I'm going to go back to the question: Can you tell us the number of doctors we have practising in Ontario, and where we've been and where we're going?

Hon. George Smitherman: Let me link the two different items that you brought up: the number of practising doctors and the number of people in the province of Ontario who are still in search of care. In the fact book that we handed out before, there's some good data from HealthForceOntario. Of course, as I mentioned yesterday, very often the data sets lag a little bit; it's very hard to have real-time data. But the progress in the number of doctors in the province of Ontario is pretty good, especially when you consider that we've also substantially increased the size of our medical schools and our

residency training programs. So even though we already have evidence showing more doctors just in the last few years, we also have a production line of physicians that is growing substantially as well. In 2003, we had 21,472 doctors; in 2006, 22,725. And we're going to continue with our efforts to enhance the supply of physicians.

The great news is that because of additional physicians and initiatives like our family health teams, doctors have taken on 637,000 additional patients since April 2004. As a result, the Ontario Health Quality Council has said that the number of patients, based on sophisticated modelling, who are actively looking for care is about 400,000. When you consider that, just a few years ago, people were saying things like 1.6 million, 1.7 million, I think it shows the kind of progress we've made.

The exciting part is that in our platform and in our budget is the opportunity to build more family health teams. We have 28 community health centres that are still coming to life. We have 50 additional family health teams—I think I said that. We have 25 additional nurse-practitioner-led clinics. And doctors last year: 83% of doctors in Ontario took on more patients—on average, 50 patients each.

With all of these things combined, we really feel very confident that that number, which we've whittled down to 400,000—I say “we,” but through the collective efforts of the people on the front line of health care—that getting family health care for all is a goal that is within reach for our province. Just a few years ago, it really seemed quite insurmountable. And the production line of more physicians will be very helpful.

The IMGs—just one small point: Last Friday, we had a chance to have a bit of a ceremony. There were 135 international medical graduates who completed all of their training—fully licensed, out into the communities. They were headed to Dunnville and St. Catharines. They were going to Oshawa and Barrie—all communities where the need of some of those unattached patients is well known. There are 630 more foreign-trained doctors right now in residency training in the province of Ontario, not to mention the massive expansions that we've made in the size of our medical schools. The production pipeline for physicians has grown substantially, and we're gaining confidence about our ability to get care to all those people who are looking for care.

The Chair (Mr. Tim Hudak): Thank you, Mr. Rinaldi. Minister, thank you. That does conclude the time for that rotation.

The official opposition for 20 minutes. Mrs. Witmer.

Mrs. Elizabeth Witmer: I remember well being the minister and sitting on that side of the House and having all of my colleagues ask me questions that could demonstrate how well the government was making progress. Anyway, it's now up to me, I guess, and the NDP and my colleagues to hold the government to account.

I'd like to begin by asking the minister to provide us with the names of the hospitals that currently have deficits. I do this because in the estimates of October 4, 2004, the minister said that “unfortunately, for the past

few years, Ontario hospitals have been careening down a dangerous slope toward unsustainability.” He went on to say: “We have also made it clear to our hospitals that the era of deficits followed by bailouts followed by double-digit increases, year after year after year, has to come to an end. We have given our hospitals 18 months in which to get their budgets under control.” You said, “We’ll help them accomplish it.”

Here we are in 2008, which is beyond 2006. I think we know that hospitals still have deficits, and I’d like to know how many and which ones have deficits. How much is the deficit? Then I’d also like to know what the government is doing to help these hospitals balance their budgets. At the same time, Minister, you indicated that you wanted to ensure that, as they were asked to balance their budgets, the quality of care not be threatened. So who has a deficit? How much is the deficit? And what is the government doing to help them balance their books?

Hon. George Smitherman: Firstly, if you read that quote back to me one more time and let it really sink in for everybody, they really would realize, through the efforts that we’ve made, the sea change that has occurred in the way that hospitals run their affairs in the province of Ontario. Bailouts are a thing of the past, double-digit increases are no longer the norm, and by legislation, hospitals are obligated to balance their budgets—in certain circumstances, over a two-year period, if that’s what’s necessary to address some in-year pressures.

I can tell the honourable member further, as I had a chance to mention at our committee meetings earlier this week or last week, that the last consolidated report we have of all hospitals in the province of Ontario was not a report about deficits; it was that hospitals had a combined surplus—I think at the end of the 2007-08 fiscal year, but the deputy will correct that if I’m wrong—of \$282 million. We can also demonstrate with a variety of data sets the increase in the number of employees who are working in the health care environments. I don’t believe it is possible to produce a list of hospitals that have deficits. I don’t know that such a list exists, because the law that is on the book obligates those hospitals to find the necessary steps to get their budgets in accordance with that law. But I will ask the deputy if there’s a different way to go at that question and whether it is possible to produce the information that you’re talking about.

I just remind you, as we had a chance to talk about it in estimates the other day, that it used to be at the end of the year that you heard about a deficit. All this talk about deficits that you like to promote is from hospitals in the first week of the fiscal year saying, “We have a deficit for 12 months from now.” I think that’s just a really strong example of how the conversation has changed. You were in the habit of, very regularly, at the end of the year, sending hundreds of millions of dollars to hospitals as bailouts, and this practice has been substantively reduced. In a few circumstances in-year in the hospital environments, with some special circumstances in mind, there’s perhaps a little bit of additional assistance, but not a budgetary free-for-all such as existed when we first came to office.

1630

The Chair (Mr. Tim Hudak): Deputy?

Mr. Ron Sapsford: Yes, thank you, Chair. We don’t have a current list of hospitals with deficits. I think it’s linked to your question yesterday, Mrs. Witmer, about hospitals with signed accountability agreements. Some of them have completed that discussion with the LHINs, and in those cases where they’re signed, there is a plan for balanced budgets. Some of the ones that remain unsigned—and we’re getting that information for you now—are still unsigned because the discussions with those hospitals and their particular LHIN are still ongoing. Until that discussion has been completed, it will be difficult to give you a quantitative answer to your question. So given the work that LHINs are now doing with that plan over the next two years, that’s where the discussion is now taking place.

Mrs. Elizabeth Witmer: I hope that we are prepared to be honest and transparent, because if you can’t produce a list, I will tell you that I certainly can produce a list of hospitals with deficits. I will also tell you that accountability agreements have been signed by hospitals with deficits. I know that some hospitals do receive money under the table just to move them forward and make it look like they’ve balanced their budget. I guess it really concerns me that we’re not being honest—that we can talk about all the good things in the system, but the reality is that hospitals today are stretched to the limit. We continue to have deficits—the LHINs are well aware of who has deficits—but I’m not sure that anybody is taking a look at how those deficits can be addressed and how the budgets can be balanced. I could name hospitals in here, which I’m not going to right now, that have had deficits the entire time that the Liberals were in office.

I don’t see much of a change happening as far as deficits are concerned. I think they’re better concealed, because you can now use the LHINs as an excuse for not having the information, but believe me, I could give you a list right now, and that’s what I’m asking for. I want to know how big the deficits are, and I want to know what plans there are either for debt repayment or balancing of these budgets.

We have to be honest with the people of Ontario. We have to make sure that hospitals continue to provide quality care. I hope that I can get an answer to that particular question.

Hon. George Smitherman: I’ll accept the offer from the honourable member to produce the list of deficits, and we’ll cross-reference that against what we have. If you want to share that with us through the clerk, we’d appreciate it.

I find your use of language—“under the table,” “concealment” and “be honest”—to be a little bit at odds. The consolidation of hospitals at the end of a fiscal year is a measure that is obligated by accountants etc., and it showed that the net was nearly a \$300-million surplus in Ontario’s hospitals. That’s not concealment; that’s very transparent. It’s a very honest reflection, based on rules set in law by accountants and the like. I don’t really think

it's appropriate to use that fancy language when there are mechanisms which clearly showed that hospitals, at the conclusion of the fiscal year, had an accumulated surplus of nearly \$300 million.

Of course, in individual cases, there are hospitals that have to do work to get on-plan. At any one time, there are 10 or 12 that may need some work. But if you want to share that list which you've said that you have, we'll cross-reference that against what we know, and that will be helpful in informing all members of the committee. I appreciate your offer to give us that.

The Chair (Mr. Tim Hudak): We did have a commitment, though, from the ministry and from the deputy, to answer Mrs. Witmer's question to the best of your knowledge.

Hon. George Smitherman: Oh sure, yes.

Mrs. Elizabeth Witmer: I guess you've indicated that they have a cumulative surplus, so obviously it has been added up and obviously there is a list of those that have deficits and the amount.

I'd like to turn now to long-term care. We know that the people who are currently residents in long-term-care homes are there, and the conditions that they have are such that there are often more complex health issues. They're often more physically aggressive than in the past. They are people who have dementia, and they have some other form of cognitive impairment.

I know that there was an internal report done in 2006 outlining the models of care needed for these patients who exhibited aggressive behaviour in LTC homes. There has been some concern amongst the homes that there aren't any changes or recognition of that fact. I guess I would ask you, Minister: How do you plan to deal with those residents? The numbers probably are going to increase in the future.

Hon. George Smitherman: I don't think it's fair to say that cognitive behaviours and dementia have only emerged in the last four years. I know that's a premise that you like to build on as an excuse for why you eliminated all standards in long-term care.

There were standards when you came to office, minimum standards of care. Your party eliminated them all: no two-baths-a-week minimum, no 24/7 RN, no daily minimum standard, none. You took them all away. Even the NDP ones weren't very enforceable, but they at least had them, and you eliminated them all.

We're in the midst of restoring them. At the heart of our focus in long-term care is more staff. We have almost 6,000 additional staff in the long-term-care environment so far, and with investments that we have planned through our budget documents, we anticipate adding about 5,000 additional staff to the long-term-care complement.

In addition, in part through responses to the Casa Verde incident, which I believe occurred while you were the Minister of Health in 2001, a variety of initiatives have been undertaken particularly around enhancing the training associated with the provision of supports for these more frail and needy members of the long-term-

care-home community. At the heart of it, our obligation with respect to those most vulnerable residents is to get more care into the homes.

We've added thousands of additional workers so far, and our strategy will be to continue to do. Just for reference's sake, right now there are 1,200 registered practical nursing positions being added to the long-term-care complement, and in the course of the next three years, we have 2,500 additional personal support worker and 2,000 additional nursing positions, which will supplement those 6,000 or so that are already there and all-total will represent millions and millions of additional hours of care for long-term-care residents.

The deputy may have some further information to offer with respect to initiatives in the long-term-care environment, or perhaps you have a follow-up.

Mrs. Elizabeth Witmer: Do you know what? I'm sorry that I didn't hear an answer. I simply asked how we plan to deal with these patients. We all know that the situation is going to get worse. It doesn't matter which government or which minister is in charge. We just know that the number of physically aggressive residents with dementia or some other form of cognitive impairment is going to increase, and those with complex conditions as well.

I would ask you, since there wasn't an answer there, and we know that there was an internal 2006 expert panel report outlining the models of care that were necessary to deal with these patients, if you could provide us with that report.

Hon. George Smitherman: I'm not familiar with the report. I'll ask the deputy to work with the ministry to determine what that is. An unnamed report in a given year is not familiar to me.

You said you didn't hear an answer. Let me try again: more staff; more training; minimum standards, which you eliminated; and capital renewal. I think that the B and C renewal, an issue that you've spoken about quite a lot, is one part and parcel of creating environments which are more suitable for people who are experiencing dementia.

But really at the heart of it, the single most important of those strategies is to have more well-trained individuals providing care in those environments. That's the number one strategy.

The Chair (Mr. Tim Hudak): Is the deputy aware of the report that Ms. Witmer has referenced? If not, we can solve this outside—

Mr. Ron Sapsford: I can guess. I think it's a follow-up report to the coroner's inquiry, but I'll clarify that.

1640

The Chair (Mr. Tim Hudak): Thank you.

Mrs. Elizabeth Witmer: You referenced Casa Verde and the inquest. It's come to our attention that, regretfully, the government has failed to implement most of the recommendations stemming from that inquest. I just wondered if you could provide us with a list of the recommendations that have been implemented and also a

list of the recommendations that remain to be implemented.

Hon. George Smitherman: Yes. Of course, we'll bring together what information we can and we'll see if that report that you're referencing is perhaps related to that inquiry. I'll be happy to do so.

Mrs. Elizabeth Witmer: I appreciate that.

I'd like to move now to the long-term-care homes. Regrettably, the population is aging, and there are more people who are looking for access, particularly in certain parts of Ontario. The 20,000 beds that we had announced in 1998 are no longer responding to the need 10 years later. What numbers of individuals are on wait-lists for long-term care in each LHIN in Ontario? We know, for example, that London had a very serious problem. If you could provide me with a wait-list for access to long-term-care homes—not for each home; obviously, now it's the LHIN—I'd appreciate to see what the waiting list looks like.

Hon. George Smitherman: What we'll also do is—we're working on getting you that list that I referenced top of mind of those expansions, the additional long-term-care homes which are being built.

You mentioned London. Specifically in London, we have new long-term-care homes being built: Henley Place, with 192 beds; Oneida Nation of the Thames, with 64 beds; the Homewood Corp., with 192 beds; and PeopleCare, with 160 beds. So I defiantly agree that London has been an example of a community with some particular challenges. In your home community—in the region of Guelph, there's a substantial investment of new beds being built in Guelph as part of about 2,500 additional beds that are being built.

We'll get you that whole list and also seek to bring together the data that you requested with respect to what—I think they measure it by median wait time or something like that—the progress to admission is in a long-term-care home environment. Also, just a reminder: The alternate-level-of-care announcement that we made as part of our ER announcement from 10 days or so ago really raises the caps that were in place for quite a long time—I think initiated by your government. We've eliminated those caps so that individuals who are in a hospital might be able to go home with a greater degree of support from home care. So we're also seeking to maximize the capacity to provide support for people in the home environment and, indeed, for people who are at home but at risk of heading to a hospital or seeking transfer into long-term care.

We're also creating more flexibility for the CCACs to enhance their levels of care, to provide a higher degree of support so that people can remain in their own home. That's a complementary strategy. We'll happily get you all that data on the long-term care.

Mrs. Elizabeth Witmer: We look forward to seeing the actual details on that announcement. The announcement was certainly very helpful. I guess now it's a matter of seeing what impact it's going to have on different

communities. I hope that you'll invest in Waterloo, because I'm not Guelph. And we do need that other MRI.

Hon. George Smitherman: Firstly, I didn't mean to make a mistake, to refer to that as the same region.

Mrs. Elizabeth Witmer: I know; I'm just teasing.

Hon. George Smitherman: But I do know that there is some sensitivity. Perhaps it's because the member beside you is so frequently a visitor in Guelph.

Interjection.

Mrs. Elizabeth Witmer: He tells me he's not Guelph either.

Hon. George Smitherman: He's not Guelph either, no. But I do tend to see him at announcements in Guelph quite a lot.

With respect to the MRI, that's the Cambridge issue that you were mentioning. One opportunity that we are pursuing in shorter order is that the not-for-profit MRI that's set up in the community may have some additional capacity that we can take advantage of quite quickly. We're currently assessing whether we would have the resources to give more access to those residents in Cambridge experiencing too long a wait—whatever capacity we can find in the broad Waterloo Wellington Local Health Integration Network area.

Mrs. Elizabeth Witmer: At the not-for-profit one?

Hon. George Smitherman: That's right; the one that has had its status revised.

Mrs. Elizabeth Witmer: Right. I'm quite aware of and familiar with it. Thank you.

The Chair (Mr. Tim Hudak): You have time for probably one more question.

Mrs. Elizabeth Witmer: Okay. Maybe we won't finish it. Anyway, you mentioned the rebuilt beds. There's a need, as you know, to rebuild 35,000 of these beds over the next 10 years. You've said that you would. We're now into a year later since that announcement. I'd like to know how many of those beds have actually been started—in other words, shovels in the ground.

Hon. George Smitherman: It's not really accurate to say that it's been a year, but it certainly has been about eight or nine months. We're working on the policy development work through the summer. No announcements yet in terms of the go-forward for the first tranche, but we anticipate doing 3,500 beds a year for 10 years. Towards the end of this fiscal year would be the first opportunity to move any of those projects forward. What we have said is that the local health integration networks will play a role in helping to prioritize which beds are most in need of redevelopment.

We also have to be mindful—because you would know very well that as we move to the new standards, the homes are much larger. They're not all going to be accommodated on the sites where they are. In some cases, there may be a desire to bring the beds of two homes together onto one site. So we think it's important as well that the LHINs, with their more localized perspective, be involved in helping to resolve some of those issues.

Certainly in this fiscal year, the policy work, the policy approval work, the consultation with OANHSS and OLTC would be ongoing as we seek to shape a program. There's a rest home you may be aware of in Zurich, the Blue Water Rest Home—in Carol Mitchell's riding, I think. It has been an example of a home that has—it's one of those blended ones. It's got some Bs and some Cs.

Mrs. Elizabeth Witmer: Yes, I do know it very well.

Hon. George Smitherman: They've had a dickens of a time trying to get their home into redevelopment. We've really gotten down into the detail with them and tried to unlock for those small homes in the most rural parts of Ontario which are so essential—and big employers—to make sure that we can find models that work well for them. That's going to inform the work that we do on the B and C redevelopments.

The Chair (Mr. Tim Hudak): Thank you, Minister.
Interjection.

Hon. George Smitherman: Okay. So you know what a pleasant place it is. I forgot that that's close to Exeter.

The Chair (Mr. Tim Hudak): Thank you very much. Time has expired.

Madame Gélinas, you stacked your time so you have 40 minutes.

M^{me} France Gélinas: I'd like to start with a quick question on hepatitis C. The Ontario hepatitis C assistance plan was set up to provide financial assistance to help hep C victims outside of the 1986-90 window. I believe that \$200 million was set aside to compensate these individuals, and 3,700 who qualified received the \$27,000, which your ministry confirmed left \$108 million unspent. Does the minister plan to contribute the three elevenths to the pre-1986/post-1990 federal compensation, as the Ontario government has done for the 1986-90 class-action hepatitis C victims?

Hon. George Smitherman: I don't understand—contribute the three elevenths?

M^{me} France Gélinas: When the federal government came out for the 1986-90 victims, this segment got three elevenths more than the people pre-1986/post-1990.

Hon. George Smitherman: I'm going to let the deputy or perhaps an individual from the ministry offer more information here, but I think one thing that needs to be addressed forthrightly is the \$200 million.

I think the initiative of the provincial government at the time was one that all members of the Legislature supported. To witness people with hep C divided up into classes and having differing circumstances for differing years was a very painful and torturous thing for many individuals. The \$200-million fund that was established was based on a projection that never came true in terms of the number of people. I think there's been a lot of misunderstanding about that.

A year or two ago, I believe the auditor—and the deputy can correct me if I have this wrong—wrote down the amount that the province was holding back, because you could see by the projections falling short—i.e. the number of people who were projected to have hep C

being much higher than the number of people who actually met the criteria for the program—that the entire \$200 million was not going to be required as it was initially intended. Through the contributions that Ontario made proactively—and you will recall that they increased the amounts already one time—it's my understanding that those Ontario residents received a benefit that was equal to or greater than the implication of the federal settlement, keeping in mind that not all provinces had taken the steps that Ontario had at that point.

That's some information that I have. I'm not sure whether the deputy can offer any more or perhaps take under advisement somewhat the question and try and get back to you with some additional information as it relates to that federal settlement.

1650

I've been around this health thing for four and a half years, and I don't think there's a more complex file and a more misunderstood file than this hep C one, to be honest with you. So I would want to be very cautious about the way that the information is put into the questioning.

Mr. Ron Sapsford: I'll have to get back to you on the specifics. I can tell you that the program that Ontario funded was substantially different from the federal settlement, with a different group of people. The notion that the difference between the two plans is simply closed by another payment is a misinterpretation of the plans. But I'll get the specific information for you.

M^{me} France Gélinas: Okay.

Before I get into home care, I have a quick question on PET scans. I, like every other MPP, have received many letters and e-mails from Ontarians concerned about access to PET scans in Ontario. We are asking your government to extend access to PET scans and that they be covered.

I understand that since 2002, the ministry has funded five clinical trials and that the Ontario PET screening program has recommended one more pilot study in addition to the cancer PET registry study and the cardiac PET registry study. I also understand that Ontarians hoping to access PET scans can apply to the Ontario PET access program and have their application reviewed on a case-by-case basis by a clinical expert in order to determine whether a PET scan would be appropriate.

So my questions are as follows: Can the minister explain why some of the trials are taking over six years? How many people apply for access to PET scans and how many actually get approved? Once those trials are completed—first of all, when do you expect them to be completed and when do you expect the decisions to be made?

Hon. George Smitherman: Those very specific questions—I'm going to let the deputy assist in giving you some further information. Two or three things that I think are important to say: Firstly, I see the anguish in a lot of the requests for PET scans, and I believe that some people are being offered PET scans as some panacea, at a late-stage circumstance or what have you. This is a very expensive technology, and it's a technology that's going

to be more effective in a relatively narrow band of clinical circumstances. I have to say very directly that Ontario will not be in a position to implement PET scan technology across the province without very strict clinical guidelines about the circumstances where that can be useful, because it would be easy to spend \$50 million or \$75 million a year and get very little clinical benefit from it.

The work that's going on with what I would refer to as a pilot, these clinical trials, which other jurisdictions like Australia, as an example, are watching to see what the information—it's designed to inform us about where the PET scan can be particularly effective.

There are specific answers that we'll get for you, but I have to be very candid with you on one other point: In our budget, as it's presented now, in the future-year outlook for our budget, I do not have an embedded line that projects substantial growth in expenditure related to PET scans. Part and parcel of this is what I just mentioned a second ago, and also the obligation that we have, which is that we have existing diagnostic capabilities like CT scanners and MRIs. It has been a big focus of ours to make sure that access to those—already deployed, but unequally so—is universally good. That has been a big focus for us.

I'm not sure if the deputy will have some information at hand or if he might want to get back to you with some answers to those very specific questions that you posed.

Mr. Ron Sapsford: I can add some of the details in terms of numbers. There are five areas of clinical trials: one in the area of lung cancer, one in breast cancer, head and neck cancer and metastatic colorectal cancer. The trial cohorts were set up in a way to parallel specific clinical conditions where the cancer experts felt that PET would be of some use in providing a differential diagnosis. So for some examples, in the head and neck cancer cohort, the target enrolment for that particular subset was 400, and as of the end of March 2008 the enrolment has been 328, so we're approaching the target enrolment. For stage 3 lung cancer, that cohort was targeted at 400, and as of the end of March it's 268, so there's further to go. Another example would be in cancer of the lung—single pulmonary nodules and a number of clinical indicators. The original target enrolment was 600, and as of March 31, 2008, it's 1,410. So that particular cohort has completed its review.

The process that's used is, when the cohort number has been reached, there's a review done by the experts, then decisions made about continuing clinical access, where we move from a clinical trial into a registry. For several of the groups, we're now at a registry stage, so that where the clinical condition presented by an individual patient fits the criteria, the PET scan is provided automatically.

I think that's important to understand. The restriction is not, "You can't have a PET scan"; it's rather, "Does the clinical picture present that requires the differential that the PET scanner can bring?" All of these are moving forward. Some of them take longer than others because

it's a question of identifying individual patients and getting them through the process.

M^{me} France Gélinas: I'd like to move to home care. There's no page number, but it's the document you gave us on the first day. It has a fact sheet on increased access to home care where it shows \$1.79 billion for 2008-09 and \$1.68 billion for 2007-08 for home care. I was wondering if I could get a breakdown of those expenditures by what I call clinical line—as in nursing, homemaking, therapy—to have an idea of the \$1.68 billion for last year. Actually, I would like it for all the years, if you could, starting in 2003—how much went for nursing, homemaking, therapy and case management. I don't know if you're also able to tell me: Of those, how many were delivered by for-profit versus not-for-profits? Let's say we take nursing—

Hon. George Smitherman: They're delivered by regulated health professionals or other people. I'm not sure that we put a label on them like that.

M^{me} France Gélinas: Usually the CCAC will have a contract with an agency. Let's say they have a contract with VON to deliver so many courses of care in nursing. Let's say for nursing in a specific CCAC: Can we find out if those contracts for those many hours of nursing were given to a for-profit or a not-for-profit accredited service deliverer?

Hon. George Smitherman: If we have that data, yes, absolutely; I don't know if we do, but sure.

M^{me} France Gélinas: And for the data, to know—I'll take the \$1.68 billion because I realize that 2008 hasn't gone by yet. Can we find out how much went to a contract for nursing versus home support? Is this something that is feasible to find out?

Hon. George Smitherman: We'll have to look and see how they pull it apart.

Mr. Ron Sapsford: I just don't know how it's organized, but we'll do our best to bring forward what information there is.

M^{me} France Gélinas: As I said, when you do look, if you can find out how many of those contracts were given out to for-profit versus not-for-profit over the years, that would also be helpful.

I then move to the second little square, which talks about the number of Ontarians receiving home care through CCACs. We saw that in 2006 there were over half a million people. That's a lot of people: 535,000 people. Can we have this broken down by how many of those 535,000 people were receiving nursing versus how many were receiving homemaking? Is this something that we can get?

1700

Hon. George Smitherman: We're making note of all the questions, and we'll do our very best to compile it as you've requested it.

M^{me} France Gélinas: All right. Then I was most fascinated by the lower box on the right-hand side. I have no idea how you calculate this and where the data comes from to get this. This is, "Hospital visits prevented."

Hon. George Smitherman: I'll have to try to understand where they're coming from in terms of the use of the word "prevention" there. We'll definitely get you an explanation about what these numbers represent.

M^{me} France Gélinas: We seem to have been tracking this for the last four fiscal years, anyway.

Mr. Ron Sapsford: There are some codes in hospitals like ambulatory care visits diverted to other providers, and there are probably some categories where days of admission have been reduced as a result of the home care. But we'll find the—

Hon. George Smitherman: I know where it flows from, or I'm pretty sure. It flows from the accord which was reached in 2003 as part of the response to Romanow, where the federal government dedicated some additional resources to provinces to enhance home care services. It was all about substitution of acute or preventing hospital stays and the like.

We'll get you the rationale for that, but I know that's where it's coming from. That was a big thrust of what's referred to as the accord, and I think that was struck in 2003 quite soon after we came to office and profiled those investments around palliative care, mental health, post-acute support etc. We'll try to unlock a little more of the rationale behind those numbers.

M^{me} France Gélinas: When we look at home care, is there any way, either through the number of Ontarians receiving it or through the expenditure, to track how many of those hours are provided by full-time versus part-time staff, or am I dreaming here?

Hon. George Smitherman: I think that's going to be quite difficult, but we'll make a note of it, and if there's anything that we think is helpful or relevant to that line of questioning, then we'll supply you with whatever we might be able to find.

M^{me} France Gélinas: Okay. That's it for those three boxes.

The next one also has to do with home care, but it has to do with the maximum. I followed the announcement, and I was very happy to see that the maximum hours of home care were going to be increased in general, and then special allocations were done for people on palliative care, ALC and post-discharge from hospital etc. I'm more interested in asking: Is there a line in your budget or is there a will from your ministry to remove the maximums and fund health care on the actual needed hours rather than having a maximum set for different categories?

Hon. George Smitherman: If you're asking, "Is it possible to revert to a situation in health care where any organization can spend whatever they want in a year and at the end of the year just give a bill?", I'd say no. Obviously, what we create is an additional funding resource for community care access centres and, through enhancements of the rules, more flexibility and discretion on their part to attribute resources towards a goal. A goal, as an example, of keeping an individual in their own home rather than seeing them end up in a hospital headed towards long-term care means that the CCAC would

have greater flexibility to give that individual an enhancement in care.

M^{me} France Gélinas: That's not quite my question. I realize that the maximum used to be 60 hours. You have bumped this up to 90 hours recently for chronic home care clients. Is this a trend where we will see at some point that there will not be a maximum and it will really be the case manager who will decide based on the need?

Hon. George Smitherman: I think it might be helpful, Deputy, if you might get someone to speak more specifically to this. If an individual is waiting for a long-term-care bed, there's no maximum at all.

M^{me} France Gélinas: I want this for everybody.

Hon. George Smitherman: That's the open-ended circumstance. I have to say, practically speaking, that no, we'll still expect community care access centres to operate within the allocated budgets. Their budgets have gone up pretty substantially. Does it mean that it's a free-for-all and that every hour of requested care will be made available? No. It's a substantial improvement. There's greater flexibility and it offers some discretion to the community care access centre to offer substantially enhanced supports, but still operating within the budgetary allocation that's available to them.

Mr. Ron Sapsford: Yes. I think what we're trying to attempt here is to maximize the use of home care for as many people as possible so that the number of patients who require the maximum amount of care in a month is on the smaller side than the average person who requires home care, say after surgery, and going home. The idea here is to provide the maximum flexibility for CCACs so that discharges from hospital, either in terms of the amount of care on a daily basis or for the length of time applied, are given the maximum amount. But as the minister said, that's still within an allocation that's worked out with each CCAC. The monies for that change are provided in this year's estimate, in vote 1411.

M^{me} France Gélinas: Okay. We all understand that there is a moratorium. Since the Hamilton CCAC, there have been temporary guidelines from the ministry to extend existing nursing contracts and not issue new tenders for a request for proposal. That has been in place for about four months now. Are there new guidelines being issued that say that contracts can now be extended for another two years? Is there any new guideline issued by your ministry lately on this?

Hon. George Smitherman: I'm not sure about the use of the word "new," and I don't know about the word "guideline." It may have a specific meaning that I'm not conscious of. But certainly the government—I'm still doing some work that I will take through the process in terms of what alterations we might make to the nature of the competitive bidding process for the purposes of the provision of home care. We have given direction to community care access centres to extend their existing contracts. They have lots of capacity to do that. We've done it in many instances over the last few years.

We saw the way that events were unfolding in Hamilton and Brant. The process had not served people

as well as we would have hoped. We felt that on the early evidence—and it was very early evidence—there was an opportunity to stop the trains and to take advantage of a little bit more time to consider what was happening there.

I'll just give you one small example. We had a long-standing provider in the Hamilton community that was thrown out of the process because they didn't do the paperwork well. There might have been other compelling reasons, but we just really felt that a long-standing provider ought to have the opportunity to complete the entire process. This is just one example of some of the evidence that was available to me that suggested that it would be appropriate to give pause and take a look at some of those things before we move forward. We're still in that period where we're considering that, as a government. As you've said, in the meantime we've given CCACs direction to extend existing contracts.

M^{me} France Gélinas: Can we have a copy of those directions?

Hon. George Smitherman: Yes, sure. I think it was just correspondence from an assistant deputy minister or something, but yes, sure.

M^{me} France Gélinas: Okay. Since wages and job security are less in the home care sector compared to the hospital sector or a number of other sectors, will the ministry act to fund a wage parity strategy for workers to ensure the ability to retain and recruit, especially nursing, but all the health care workforce in the home care sector?

Hon. George Smitherman: That's not in our plans and it's not embedded in the budget, no.

M^{me} France Gélinas: Not on the radar.

Hon. George Smitherman: It's on my radar, yes. I'm very conscious of it, for sure, but it's not an inexpensive matter to create parity across all of those sectors. I think it has much merit; absolutely. We have made strides, through the report from Elinor Caplan, to enhance compensation and benefits for personal support workers, but there's lots more progress that would be possible on those fronts. I would be frank in saying that it's not a funded initiative in the budget of the Ministry of Health that is before us for consideration.

1710

M^{me} France Gélinas: Okay. There's also some labour transition within home care, and in this, I'm talking about successor rights. Many unions say that the easiest way to implement successor rights within the home care sector is to enact the PSLRTA—I never know how to pronounce this—basically, the Public Sector Labour Relations Transition Act. Is it the will of this government that this specific act be applied to the CCAC RFP process?

Hon. George Smitherman: That has not been our policy, no.

Mr. Ron Sapsford: The PSLRTA will apply to integration decisions of local health integration networks. The statutory provision was included in the LHIN legislation but does not extend to this particular part of it.

M^{me} France Gélinas: And it's not the intention of this government to make it so?

Hon. George Smitherman: No, not at this time.

M^{me} France Gélinas: Because I ran out of time last time and I don't want that to happen to me again, I am going to be moving on to long-term care.

The Chair (Mr. Tim Hudak): You've got about 15 minutes left.

M^{me} France Gélinas: All right. I'll start with the paper you gave us. I'm on the fact sheet that's called, "Ontario Government Committed to Further Increases in Care in Ontario's Long-Term Care Homes." The funding for long-term-care homes shows an increase from \$2.1 billion to \$3.16 billion.

Is there an opportunity for us to have this broken down by envelope: long-term-care funded nursing and personal care, accommodation line, programs, support, food? Can those numbers be broken down in that way and shared with us?

Mr. Ron Sapsford: I believe so, yes.

M^{me} France Gélinas: That would be helpful.

Looking at the hours per resident—you won't be surprised; I've asked this a number of times. In 2008, you talk about 2.94 hours. We certainly don't come to the same—there are a couple of questions.

The first one is: Are the 2.9 hours solely the hours funded by the Ministry of Health and Long-Term Care? I'm thinking that municipal homes often fund, so is the 2.9 only the money that comes from the Ministry of Health and Long-Term Care?

Do you look at the difference between the paid hours and the work hours?

My third question is: Is the programming envelope in, or out, of those calculations?

Hon. George Smitherman: We talk about paid hours of care per day. I'm pretty sure that these are our numbers and wouldn't capture supplementary hours that a—

Mr. Ron Sapsford: It's all hours—the paid hours. It includes all hours of the home.

M^{me} France Gélinas: Okay, so if the home has other sources of funding, it would be included in the 2.9?

Mr. Ron Sapsford: Because they report all staff hours, yes.

M^{me} France Gélinas: Is the programming envelope in or out?

Mr. Ron Sapsford: In this number?

M^{me} France Gélinas: Yes.

Mr. Ron Sapsford: Included.

M^{me} France Gélinas: It includes it. And it includes paid? Okay.

I know that homes have to report on staffing information, but we also know that not all homes report on staffing information; there's always some, for some reason—I know this because we FOI'd it, so I got the report back. When you look at 2.9, how do you account for those homes that have not reported their hours?

Mr. Ron Sapsford: These numbers would be based on total reporting and averaged over the homes. So these would be average numbers as opposed to anything else. The reasons for lack of reporting on a particular quarter could be varied. I'd have to look in more detail for what the specific reasons are, but one home out of several

hundred is not going to shift the average for the province in a great way. There might be a marginal adjustment depending upon an individual home.

M^{me} France Gélinas: So you feel confident that the homes that have reported are representative of all the homes?

Mr. Ron Sapsford: Oh, yes, of the vast majority, yes.

M^{me} France Gélinas: Okay.

Mr. Ron Sapsford: I want to correct the record. The programming—if you're referring to physiotherapy and those services, they are in addition to the 2.94 hours. This is really the nursing and personal care envelope, but it does include all nursing and personal care irrespective of funding source.

M^{me} France Gélinas: It's based on paid hours.

Mr. Ron Sapsford: Yes.

M^{me} France Gélinas: What is the annual funding for this fiscal year and next—no, sorry. That's not my priority for questions.

We've talked about investments in long-term care. Some of them are spread over a number of years. Could we find out how many are for this year, next year and the third year?

Hon. George Smitherman: How many people working in those environments?

M^{me} France Gélinas: Yes. You've made announcements for more nursing staff, more RPNs, more PSWs etc.

Hon. George Smitherman: The only one that we can say for sure—I can give you two. The one that did bridge two fiscal years is the 1,200 registered practical nursing positions. Those resources are flowing into long-term care, and the hours and staffing are being added at present.

For this year, we contemplate investment in personal support workers. I want to say 865, but I have a bit of a mental block. Is it 865 or 835?

Interjection.

Hon. George Smitherman: There are 865 additional personal support workers this year. There will be some allocation of additional nurses, but it's not yet landed.

M^{me} France Gélinas: Okay. I know that you've talked a bit about some of the regulations—

Hon. George Smitherman: Could I just say as well on those 865 personal support workers, for implementation—as of August 1, that funding will be available to the long-term-care environment for the 865 personal support workers. We're working with OLTCA and OANHSS to find the best way of making the allocations as we go forward.

M^{me} France Gélinas: So you don't have a set—let's say for the nursing staff, do you have a set target as to when you want all those positions to roll out?

Hon. George Smitherman: We want to roll them out as we can afford to pay for them. In a certain sense, budgetary allocation dictates when they can be implemented, but what we see is a pattern of investment that would take us to 3.25 hours of paid care.

M^{me} France Gélinas: Okay. I think I understand; I'm not sure. Let me think that through.

Hon. George Smitherman: Over the mandate.

M^{me} France Gélinas: So over the course of three years. But if I'm looking specifically for 2008-09, 2009-10—

Hon. George Smitherman: For 2008-09, I've given you the information where we've made those decisions which relate to the PSWs, with the first tranche implemented for August 1.

M^{me} France Gélinas: We've talked a little bit about regulations. One of them is the RN 24/7 regulation. Do you know how many homes have been in violation of the 24/7 mandatory RN regulation in the last fiscal year?

Hon. George Smitherman: I don't know if the word "violation" is 100% appropriate, because we did have to offer a little bit of latitude to some smaller homes that have had a difficult time being able to meet the test of that standard. But the deputy may be able to offer some additional information associated with it.

Mr. Ron Sapsford: We will find the answer for you.

M^{me} France Gélinas: If "violation" is not the right word, I'm ready to change it to whatever it's called, but—

Hon. George Smitherman: The only reason I say that is because I know that we had, by necessity, offered a little bit of latitude for some of those smaller homes. So they may not be officially in violation, even though they may not be meeting the RN test. But we'll do that research for you.

1720

M^{me} France Gélinas: I think you've already said that you will tell us how many of the Casa Verde recommendations you're in compliance with and how many are left.

Hon. George Smitherman: Yes.

M^{me} France Gélinas: So my next question is: Do you have any idea when the Sharkey report will be submitted to you?

Hon. George Smitherman: The Sharkey report will also be released. What we're working toward doing is creating a multi-stakeholder implementation team. Because of Bill 140, we have a lot of regulatory work that's ongoing. I have some phone calls to make to get all necessary stakeholders on board. We've never done this before. So we're going to try something a little bit different, which is to bring all of the parties associated with long-term care into the same environment—representatives of workers, representatives of families and residents, representatives of the operators of homes, responsible individuals from the ministry—with Shirlee Sharkey's report and her leadership helping to frame the go-forward, to try to create a consensus in terms of the content of some of the regulations. I don't have a date for you exactly, but it will be relatively soon.

M^{me} France Gélinas: Usually, you let form follow function, as in, you're talking as if you've seen the report and the best way to implement the report is to have this format. So have you seen the report?

Hon. George Smitherman: I've had a high-level briefing from Shirlee Sharkey on the report. I've not personally looked at it.

The Chair (Mr. Tim Hudak): Five minutes.

M^{me} France Gélinas: This man stresses me.

The Chair (Mr. Tim Hudak): I'm just trying to be helpful.

M^{me} France Gélinas: I'm looking at the service agreements in long-term-care homes. Why is there no longer any requirement in the service agreements that homes must use funding from their NPC hours per resident?

Mr. Ron Sapsford: Sorry, I don't understand.

M^{me} France Gélinas: There used to be a requirement that the funding to nursing and personal care had to be spent in nursing and personal care. This requirement is not in the service agreements anymore. I'm just wondering what happened there.

Mr. Ron Sapsford: I'll find out the specifics. It's very clear, though, that the nursing and personal care envelope is for that purpose and that purpose alone. So whether the words are changed or it's been incorporated, that's still the principle. And where it hasn't been spent for that purpose, the ministry still recovers those funds. But I'll check the specific request.

Hon. George Smitherman: This is probably not exactly the same thing, but somewhat similar: Last year, we initiated quite a big increase in the raw food per diem, and we rolled that out to all long-term-care homes. But we found later that some who were already supplementing the food and were at that \$7-per-day level decided just to take the money. In speeches to both OLTCa and OANHSS, I've been clear in saying that as we move forward, we will no longer be putting ourselves in a position where we're allocating the people's money toward a perceived improvement or benefit for residents, only to see any home eat that up and let it affect the bottom line. For-profit or not-for-profit, we're going to work more diligently to ensure that a dollar sent for an intended purpose gets spent on that purpose. I think that's sort of the principle of the matter at hand in your question. Whether they're related or not, I'm not sure, but I just thought I'd mention that.

M^{me} France Gélinas: Yes, it is related.

Right now, you're implementing a new data system into the homes. I realize that most homes won't report on both sets of data—the old system and the new system. Is there an update as to how the data is coming back from the new system that's being implemented in the long-term-care homes I'm talking about?

Mr. Ron Sapsford: Yes. We're in the process of implementation. I'll check the exact numbers, but I think that by the summer of this year there are an additional 45 homes going into the system. I think that by this time next year it will be completed. The information provided, of course, is—

Hon. George Smitherman: It's not that fast.

Mr. Ron Sapsford: It's not that fast?

Mr. John McKinley: Not that fast.

Hon. George Smitherman: I think Assistant Deputy Minister John McKinley, one of the longest-serving Ministry of Health employees, having recently received an Amethyst Award for long service and dedication, has a lot of institutional memory on this very point and might illuminate us.

M^{me} France Gélinas: Okay. Hi, John.

Mr. John McKinley: Hi.

The Chair (Mr. Tim Hudak): If you don't mind introducing yourself just for the sake of Hansard.

Mr. John McKinley: Sure. I'm John McKinley. I'm assistant deputy minister of the health system information management and investment division.

The Chair (Mr. Tim Hudak): Thank you.

Hon. George Smitherman: What is the acronym for that? Sorry, Mr. Chair.

Mr. John McKinley: We are in the process of implementing what is called the MDS 2 tool for classification of long-term-care-home residents in Ontario. It is a process that does take a fair amount of time because of the way we are doing it. We are introducing it on a home-by-home basis, and we are training people as we go through this process to bring them up to speed as to what value this has for the resident, the caregiver and the family. It is a process that we have under way that has taken us two years to get this far. We anticipate another two years to get to the end. We're learning as we go along how quickly we can implement it. We're about a little less than halfway through the process. Various homes are in various stages of implementation, so it's hard to say exactly how many have implemented it, because it is a very staged process.

The information that is coming back to us from this at this point is early days. We have what we've more or less characterized as a little bit more anecdotal information because it isn't broad enough yet to extrapolate out to the entire system, but we are getting some information back that is quite positive in the sense that it is a useful tool to the caregivers and providers of services and there is a requirement for ongoing support for it as it rolls out into the homes.

M^{me} France Gélinas: Are you confident that—

The Chair (Mr. Tim Hudak): I'm sorry; 40 minutes does fly. That concludes the time for the third party.

We'll go to the government side, and I think there's a commitment from the government to take 15 minutes in this round, so we'll end at 6 o'clock on the nose.

Mrs. Maria Van Bommel: I want to address with the minister the issue of supply of doctors. I know that we've made a lot of investments in increasing the supply of doctors. Certainly in my own riding I can cite a situation in a community called Newbury where that investment has allowed the community to go from being underserved to actually escaping that designation, and that has been very important. It is a small community, but it has a very, very large catchment area, and as a rural community certainly—

Hon. George Smitherman: It has four counties, I heard.

Mrs. Maria Van Bommel: Yes, four counties, and it makes it a little more difficult to recruit and retain, so investments have certainly helped us out there.

But we also have situations of aging doctors. I know that we're going to be faced again with these types of situations in my riding, and we certainly have some of that still ongoing. I'd like to ask you a bit about when those investments—and I know that we've seen some results, but I certainly expect that there's going to be something in the future as well. If we could talk about that, please.

Hon. George Smitherman: Mr. Chair, I'd just like to re-introduce to the committee Dr. Joshua Tepper, assistant deputy minister, to answer questions about a production line for our physicians.

The Chair (Mr. Tim Hudak): Josh Tepper is an assistant deputy minister now?

Hon. George Smitherman: Yes.

The Chair (Mr. Tim Hudak): I remember when he was a medical student. Good to see you again. Congratulations.

Dr. Joshua Tepper: Thank you, Chair. It's nice to see you. Thank you, Minister.

Mrs. Maria Van Bommel: Now you've embarrassed him.

The Chair (Mr. Tim Hudak): Well, good for him.

Hon. George Smitherman: He's blushing.

Dr. Joshua Tepper: Yes.

The Chair (Mr. Tim Hudak): Sorry to interrupt. I'm just happy for you.

1730

Dr. Joshua Tepper: No, no. Thank you very much, and thank you for the question.

There have actually been a lot of different investments, and I'll share a few of the numbers, but I think, even more than the numbers, what would be important to hear is that it's not just about doing more but doing things differently that's really, really exciting and starting to show some really good dividends.

In terms of medical school numbers, we've gone from 692 in 2003—and these are numbers I will quickly type up—

Hon. George Smitherman: 692 what?

Dr. Joshua Tepper: —first-year medical students—to 852 in 2008. With the same base year of 2003, we have gone from 639 first-year residents to 951 in 2007.

I know that a really important source of physicians has always been international medical graduates. Again from 2003, where we had 271 international medical graduates in our training system, we now have 623 in 2007. To that 623, you can add—and growing—another 235 in 2008. So it's 235 this year, but we haven't closed our growth this year. I know our target was 200, but we've been able to exceed that by at least 35.

To look a little bit more at the specifics of your question about, "Okay, well, those are in training, but we know it takes a little while," how many are actually getting out into practice? Again in 2003, we were graduating 533 out into practice. In 2008—on July 1, actu-

ally, so just a few days from now, because medical schools and postgraduate runs on the July-to-July calendar—we will be graduating 783, including IMGs.

Again, with the minister and the deputy's permission, behind these numbers I think is a really important story. We're not just doing these numbers in the same way we've always done, but in a really different way. That includes doing it through satellite campuses across the province and a new Northern Ontario School of Medicine. Taking that northern Ontario school for a minute, this is a completely different way of doing things. When I travel, people from around the country and, in fact, from around the world ask us about this school. The reasons why are as follows:

First of all, it's who we're bringing in. Last fall, their entering class: 90% of their entrants were from rural and northern Ontario. In that first entering class, there were more aboriginal students than the rest of the Ontario schools combined. They can't make that boast anymore, because after they had that success in the first year, all the other medical schools, if you will, picked up their socks, and we've seen the numbers right across the system—but still, a huge percentage of aboriginal students going in. Some 21% francophone, so equal to or higher than any medical school in Ontario—with the exception of Ottawa, which has a very dedicated program, but still competing with Ottawa. Again, it's a completely different class, and we know from studies from around the world—Australia, the US, Canada, and a number of other countries—that these people are much more likely to stay and work in rural areas.

I'll just point out—because this is inevitably the question that, even if people don't have the courage to ask, runs through the back of their mind: "Yes, so you've got 90% rural and northern and a bunch of aboriginals, but what have you had to compromise on the GPA on their entrance exams?" These students have an equal or higher grade point average, or GPA, than any other medical school in Canada, with the exception of U of T, which is Canada's highest, and higher than anything else. So without any compromise on that very traditional benchmark, there's a fundamentally different type of people going in to look after the needs of Ontario in the future. Again, it's not only a new place and new students, but the mechanisms are also different and how they're doing it is different.

Again, Deputy Minister, just 30 seconds on this: These students are now going out and spending months and months at a time working in very small communities—communities like Atikokan, Dryden, Sioux Lookout, New Liskeard, Temagami and Cobalt. They're working there not for just four days or four weeks out of their four years, but in fact they're there for months and months at a time. They spend entire weeks to months on aboriginal reserves in their first year and going out into francophone communities.

It really is amazing. I went to medical school with a good friend, and then residency. She didn't go to this school; it was before this school opened. But she went

back out onto a First Nation reserve, and now she's writing to me—we exchange holiday and seasonal cards—talking about getting residents from the Northern Ontario School of Medicine onto her reserve. It's a really powerful story about different students in different places learning in different ways, which I think will quickly show some really strong benefits down the road.

Again, some hard numbers and then also a bit of a qualitative sense of how things have changed on the physician side.

Mrs. Maria Van Bommel: I'm really pleased to hear about the increase in the numbers coming from rural and aboriginal. For those of us who live in those communities, it has been an issue in the past, where we may have sent young people into the medical schools and they stayed in the urban areas. We couldn't seem to bring them back, and we had to add extra enticements. It was sort of taking from Peter to pay Paul, robbing from each other to bring doctors into our communities. So I'm really pleased to see the high numbers. That's very good.

Hon. George Smitherman: If our time would allow, I think there are two other things I could ask Dr. Tepper to speak about. You mentioned the older doctors. We're also fighting hard to hang onto those we have—part of an answer that I made yesterday.

The family health team has been a model of practice that really is—just the idea of working in a team seems to have been effective. Also, we've substantially enhanced the compensation levels for family practitioners. It used to be that the way we compensated them was a bit of a push towards being a specialist.

Dr. Tepper, could I call upon you to talk a little bit about the models which have emerged with a view towards retention, keeping in mind some of the older doctors that we are hoping will stick it out for a good long while yet? Also, some of the compensation levels.

Dr. Joshua Tepper: I know my time is short and I'll try to cover it as quickly as possible—"short" being three minutes, so very quickly.

We now have a broad range of compensation models, which I think is really important. As we know, the communities across Ontario and the physicians who work in them are very heterogeneous. It's a very mixed group. So there's a difference between working in downtown Toronto, in Brantford or in Atikokan. We now have things like family health teams, rural and northern group programs, CHCs and family health organizations. People say, "Doesn't that complexity lead to confusion?" Actually, what it lets us do is find the perfect match for each situation. So we now have just under 7,000 doctors—6,971—who are now in some type of model to do that.

The compensation does vary across these different models to some degree, but on average, family physicians are now making—depending on the model and depending on the range of practice that they provide—well in excess, in some cases, of \$200,000, \$250,000. Some models, if they're really practising in a very broad scope of practice, can be even higher than that.

In the two minutes remaining, just a little bit about the family health teams: Around the world, we're starting to see some questions being asked of us. I see the letters come through to really excellent people in our ministry to help answer. We've got 142 of 150 already up and running and just under 1,000 allied health care professionals already hired—942. That will quickly ramp up. Some 2.5 million patients will probably be served by the end of 2008-09, with 1.78 million already enrolled that we can point and give a name to. So it's a very confident number.

But again, if I could for a second say, it's not just about the numbers; it's about some of the qualitative side. I think what we're seeing in the family health teams, if I can quote Hugh MacLeod, a previous ADM, is "a little bit of magic, of the system leading the system."

I just had a chance to come back from the family health team in Hamilton, back to my alma mater. I went in and had a tour, and it's amazing the teaching that's happening, the way the social workers, the physiotherapists and the nurse practitioners are teaching the medical students, the way all the different learners from across the provider pools are working and studying in a very open-model system. When we start looking at diabetes strategies and chronic disease management, the family health teams are real cauldrons of innovation because they're all there together. We're seeing some really good proposals come forth to really change the way that care has traditionally been provided.

So again, sensitive to time, by the numbers we've seen huge improvements. Some of the softer side—which I think we'll see by the number improvements down the road—is at early days still. It's a bit of a story that's unfolding, if you will. We're seeing a lot of real creativity that comes when you allow and support a wide range of family care providers to work together, focused on a patient-centred model, which is what the family health teams are. It's about putting the patient, the client, the family, right in the middle and letting everybody who's around them bring their respective skill sets to bear. Mr. Chair, hopefully within time.

1740

The Chair (Mr. Tim Hudak): Do you have a last quick question, Mrs. Van Bommel?

Mrs. Maria Van Bommel: I wanted to address another issue, but there won't be enough adequate time. Your excitement is very catching.

Dr. Joshua Tepper: It is very cool.

Mrs. Maria Van Bommel: It is very catching. Thank you very much.

Mr. Lou Rinaldi: I shouldn't have given up the time, Chair.

The Chair (Mr. Tim Hudak): All right. The last 20 minutes of our session today are the official opposition's. Mrs. Witmer.

Mrs. Elizabeth Witmer: I'd like to come back to long-term care. We were on the issue of the promised 35,000 B and C rebuilt homes. My question is quite simple: Will the homes in the areas where there are

currently shortages of long-term-care beds be able to apply for additional beds as part of this program?

Hon. George Smitherman: No, with one caveat. The aging-at-home resources, which I've spoken about a few times, are in the hands of local health integration networks, and they could choose—keeping in mind that I've already mentioned that they will be involved in helping to prioritize the B and C redevelopment. If the local health integration network concluded that—I'm just making up a number—20 additional beds would create critical mass for a home, then the LHIN does have flexibility to make allocations from their aging-at-home allocation.

Last week in Timmins, the local health integration network indicated that they will use some of their resources to build, I think, 64 long-awaited long-term-care beds. So there is that flexibility from the aging-at-home budget line that is in the hands of local health integration networks.

Mrs. Elizabeth Witmer: That's right. But not from the rebuilt 35,000—

Hon. George Smitherman: That's right.

Mrs. Elizabeth Witmer: Okay. That's great.

You announced last year, in 2007, these 1,200 RPNs, and that was to start this January. Of course, the homes have received their funding for January to March. I'd like to know when the homes are going to get all of the information and the details on when the money's going to flow and how they can spend it.

Hon. George Smitherman: I think that information comes through in July, apparently. I don't know if it's—

Mrs. Elizabeth Witmer: Right now they only know what they received between January and March. We're now into June. So they don't know how much they're going to get for the rest of the year and they don't have any details for future years on how they can spend the money.

Hon. George Smitherman: I find this unsatisfactory, but I'll find out what communication has been provided. I have no idea why it would make any sense at all to communicate to March and to have created a disruption in that flow. So we'll seek to get to the bottom of it. My note says July, but I don't know the source on this, and I don't find that a very acceptable answer. So let's see whether the LHINs have been more effective at communicating those allocations.

Mrs. Elizabeth Witmer: Because obviously the homes need to plan—

Hon. George Smitherman: Obviously.

Mrs. Elizabeth Witmer: —and the staff need to have some job security.

Hon. George Smitherman: Exactly.

Mrs. Elizabeth Witmer: Secondly, they need staff. We all know that. The budget promised 2,500 additional PSWs over the next three years and those 2,000 nurses over the four. When are the homes going to receive any of that promised money in the budget to hire these staff?

Hon. George Smitherman: I think you may have been out of the room, because this was a matter that I—

Mrs. Elizabeth Witmer: I know she did, yes, but I'd just like to hear—

Hon. George Smitherman: Firstly, just to remind the honourable member that a review of her party's platform for the election didn't call for any additional staffing in long-term care. It only talked about food allowances and the capital renewal.

Eight hundred and sixty five of those personal support worker positions for implementation August 1 of this year; information to flow to long-term-care homes; no determination yet made about how many of the 2,000 additional nursing positions—which are above and beyond the 1,200 RPNs that we've been speaking about—no decision yet on implementation on those, but that's a matter that we're working on closely at the moment; and, overall, engaging in conversation with the OLTCA and OANHSS to enhance our capacity to communicate. You've highlighted that some of it has been a little bit inconsistent and so we're working with them also to create a good mechanism, when we are in a position to put additional resources into the system, so that we've made sure that those resources are being dedicated to the most appropriate settings.

Mrs. Elizabeth Witmer: These PSWs were for over the next three years. Are people going to get any advance warning as to how many PSWs each home is going to get and when they're going to get that funding over that three-year period?

Hon. George Smitherman: As the—

Mrs. Elizabeth Witmer: The first tranche, you said, is going to happen August 1. But, I guess it comes to long-term planning and being able to hire the appropriate staff.

Hon. George Smitherman: Yes. That's why a couple of times I have referred to the necessity of our conversation with the two associations, and that work is ongoing. We're trying to create a good plan that will provide people with the information that they need in a timely way, but as I sit here, I couldn't give you the assurance that all of those i's are dotted and the t's are properly crossed. We have some work to do on this yet.

Part of the discussion relates to the fact that, across the breadth of long-term-care homes—628, I think, is the current count of long-term-care homes in Ontario—we're also trying to be mindful of what is the starting point that's there and to make sure that, as we make allocations of additional resources, we're getting them to the places where they are going to be most beneficial, trying to make sure that the allocation model isn't rewarding a poor investment strategy. We're trying to balance all these things out, and that's why a conversation with those two associations is essential to be able to do this work well. That's work that's ongoing. It's also work that will be informed by the initiative that I mentioned a few moments ago, which is our hope that Shirlee Sharkey will be able to lead a process that gives advice around these implementations, a process that would be multi-stakeholder and involve all of those parties interested in long-term care: the representatives of workers, the rep-

representatives of residents and family councils, the representatives of the associations, and relevant individuals from the ministry. We're trying to create a multi-stakeholder approach to the implementation of these investments, trying to get everybody on the same page.

Mrs. Elizabeth Witmer: I understand. I would just say that some of these announcements go back to 2007. We have residents who desperately need more personal care, and it is important to make sure that the announcements, the actual commitment and the bodies are in place.

My question is: How many nurses will each home receive in the next four years and when will they begin to receive that funding? We've just talked about PSWs. I'm talking now about the nurses.

Hon. George Smitherman: I'm not in a position to be able to answer that specifically yet.

Mrs. Elizabeth Witmer: So we don't have that. Okay.

Hon. George Smitherman: But I could just remind the honourable member—she said that the resources are “desperately” required—that her party's recent platform didn't call for any additional investment in staffing.

Mrs. Elizabeth Witmer: We'll now turn to the additional 2,000 nurses for long-term care. There is a nursing shortage in Ontario—in fact, across Canada. We know that small homes in rural areas have a lot of difficulty trying to recruit and retain nurses, for which they're already funded. Since we're talking about enhancing resident care, I'd like to ask you, Minister: Are you prepared to let the homes recruit both RNs and RPNs with this money that was designated for 2,000 nurses?

Hon. George Smitherman: The allocation of those 2,000 nurses will include an amount of—well, no final decision has been taken around that, but I believe that the bias would be towards those being registered practical nursing positions.

Mrs. Elizabeth Witmer: Okay. Let's go further. There is this really desperate need in some places to find nurses, and they can't find them. If they can't find them, would you be prepared to allow them to use this funding to fund other staff, or are you going to force them to give back the money to the government?

Hon. George Smitherman: I think that the data out there about the percentage of registered practical nurses who enjoy full-time employment demonstrate that the capacity to find registered practical nurses in the province should be quite good for long-term-care-homes. I have heard from some long-term-care home operators who would prefer to have, instead of nurses, something else. But no, it would be our expectation that we would be implementing 2,000 additional nurses in the long-term-care-home environment. The expectation should be created from here that those would be registered practical nursing positions.

Mrs. Elizabeth Witmer: We do hear from the homes in rural and remote areas about the difficulties that they have in hiring nurses, whether it's registered nurses or registered practical nurses. I was asked if I would raise

this particular issue. If they can't find someone—and it is a real problem—would they be required to give you back the money, or would they be able to hire PSWs?

I bring that to your attention. You've answered. I just want to raise it as a concern.

1750

Hon. George Smitherman: I have heard the issue much more in the context of the difficulty of finding an RN. As we had a chance to mention before, on the 24/7 RN provision, we have, especially with those small homes and those in rural Ontario, sought to be very, very flexible, so I'm mindful of the challenge, but I don't think it's equal to say that it's as difficult, necessarily, to find an RPN as it is to find an RN. It's likely, as I've said, that the 2,000 nursing positions would be registered practical nurses. If you look at those who are graduating and if you look at the percentage of registered practical nurses working full-time, I feel very confident about the ability of the long-term-care-home sector to provide very good stable employment opportunities for those RPNs. Of course, that's something that we're always going to measure, but we do think it's important to add these nursing positions to the complement of staff, alongside the other PSWs which we've spoken about.

Mrs. Elizabeth Witmer: Okay. Further questions about the budget this year: It announced \$107 million over three years for 2,500 personal support workers—we've talked about that—and \$110 million over four years to hire 2,000 nurses. This is in addition to the annualization of last year's \$14-million announcement of 1,200 RPNs. My question is: What are the estimated amounts for these three categories for this fiscal year and next year, 2008-09?

Hon. George Smitherman: I can't unravel that question off the top of my mind, but certainly what we could prepare for you is—I guess I could use the word “profiling”; as I've had a chance to mention on the PSWs, for this year, 865 for implementation on August 1. We'll do our very best within the numbers that are there to show you how the budget lines up with the profiling and allocation of those positions. So we'll definitely get back to you with some additional information on that.

Mrs. Elizabeth Witmer: Will your funding approach be similar to what you rolled out in February with regards to the RPN hires?

Hon. George Smitherman: I think we can do a lot better, and my expectations are that we will. Part of that is the conversation that I've mentioned two or three times on the necessity of working this out with the associations. I think that we have to improve our capacities. As I mentioned a couple of times as well, we really hope that we can create this capacity, with all the players in long-term care working together. It's certainly our hope that Shirlee Sharkey will be able to lead us forward in a way that also gives us some insights into how to better implement additional staff allocations in long-term care. Our hearts are in the right place etc., but I do think that there are ways to improve on the implementation, and

we'll be looking for all parties to assist us in advice around that.

Mrs. Elizabeth Witmer: Will the funding only be provided if homes are able to hire new full-time equivalents?

Hon. George Smitherman: I don't want to get caught up on the full-time equivalent piece at present, because it may be that an allocation of RPN hours to a home might allow them to transition two or three RPNs to full-time employment. This is an area where we will talk about our commitment to the people of Ontario for X thousand of additional nurses, but seek to be as flexible as we possibly can, because local circumstances may dictate that the best allocation of the equivalent of a full-time position is those X thousand additional hours split among two or three existing staff to bring all of them up to full-time employment—we think that we should be flexible on that point, measuring the hours to ensure that all the dollars that go in buy the additional hours that a full-time equivalent would create.

Mrs. Elizabeth Witmer: In some respects you've responded to the next question I wanted to ask, and that is: Since you're not providing the full cost of the RN, the RPN or the PSW, would homes be allowed to convert part-time positions to full-time?

Hon. George Smitherman: I didn't understand the premise of your question. Of course, we'd be looking to provide the cost of a full-time equivalent on an annualized basis.

Mrs. Elizabeth Witmer: So you will be providing the full costs of all of these positions.

Hon. George Smitherman: Yes.

Mrs. Elizabeth Witmer: How do you expect that they can maintain the staff that they have and hire new staff if there's not a significant increase in NPC or PSS to maintain the staff they currently have? This is an issue that we're being asked about.

Hon. George Smitherman: I don't even know what those—National Public Radio, NPR?—refer to exactly, but I think that there's a slight bit of confusion here, which may have been corrected by now. The funding envelope for long-term care had two different kinds of what I would call—because the measure of resource for long-term care depends on this acuity, this mix, it's a little different than saying "base budget increases." There are two different increases for long-term care, and they come forward as two different communications that total more than 3%—I think almost 3.5%—as a kind of base budget equivalent. This is a satisfactory amount to be able to pay for the increases in the cost of living for existing staff, which allows those new investments to pay for new hours of care.

I think that the long-term-care sector has greater information about the increases for this year, some of which are flowing out directly from the ministry and some of which are flowing out from LHINS, so I'm very confident that the amount of base increase for long-term care will allow them to pay for the cost of living for

keeping their existing staff in place and will allow the additional investments to purchase additional staff.

Mrs. Elizabeth Witmer: So you're guaranteeing that they have enough money to pay for their current staff and hire new staff.

Hon. George Smitherman: Yes. Well, I think the word "guarantee" is a bit of a loaded one. You and I both know that in rare circumstances a long-term-care home will transition to a much healthier lower-acuity group of patients, and appropriately, we would say, the measure of the number of employees will be altered as a result of that. So there are changes that occur in homes, but the increase that the government of Ontario is providing to the base circumstances of long-term-care homes is certainly sufficient for them to be able to increase the compensation associated with the cost of living for their current employees, yes.

Mrs. Elizabeth Witmer: And hire new ones.

Hon. George Smitherman: And then the new funding, which we've spoken about at length, would be dedicated to the purchase of new hours. Just to be clear: If we're sending money into a home that's got the equivalent of X hundred or X thousand hours, we will, through the work that we do in surveying the data of hours, expect to see the additional hours provided to the residents, no doubt.

Mrs. Elizabeth Witmer: I just want to get into the whole issue of incontinence, which has been raised course, and did generate some strong public concern. Does the budget contain any additional funding to address that whole issue of incontinence products?

Hon. George Smitherman: The issue of incontinence products—an issue that I know rather too much about. I should just defer to the deputy.

Mrs. Elizabeth Witmer: Is there money in there for additional funding?

Hon. George Smitherman: The Ministry of Health did implement additional funding because there was a determination that has been made broadly that a higher-quality incontinence product was warranted, and that has been implemented broadly across health care. What we seek to do in addition to that is to enhance by thousands the number of people who are working in long-term care to help address the underlying challenges for incontinent residents.

Mrs. Elizabeth Witmer: Let's take a look—I know there's not much time left—

The Chair (Mr. Tim Hudak): Less than two minutes.

Mrs. Elizabeth Witmer: Human resource costs: Are you going to flow through the RN signing bonuses into 2008-09? If so, how much is allocated in the estimates this year for that purpose?

Hon. George Smitherman: It was a one-time allocation, a 2007-08 Ministry of Health allocation, so there's no flow-through required. It was one-time, and it was allocated to nurses and related to the Ontario Nurses' Association agreement with the Ontario Hospital Association that paid out bonuses based on a formula suggested by those parties and which rewarded long

service—was weighted, if you will, towards the length of service of the employee. That was a one-time initiative already funded in 2007-08.

The Chair (Mr. Tim Hudak): That does conclude our time. Thank you, Mrs. Witmer. Thank you, Minister, Deputy Minister and folks from the Ministry of Health.

That will end our hearing today. Just a reminder: We reconvene Tuesday, June 17 at 9 a.m. until 10:45, reconvene from 4 until 6, and then we have just over an hour

of additional time on Wednesday the 18th, which we will meet for unless there is an agreement among the three parties to stand down time on Tuesday. Otherwise, we'll meet Wednesday the 18th. If we do recess for the summer, we resume this hearing in the fall, in September.

Minister and Deputy, thank you very much. Folks of the committee, thank you. This committee is now adjourned.

The committee adjourned at 1801.

CONTENTS

Wednesday 11 June 2008

Ministry of Health and Long-Term Care	E-181
Hon. George Smitherman, minister	
Mr. Ron Sapsford, deputy minister	
Mr. John McKinley, assistant deputy minister, health system information management and investment	
Dr. Joshua Tepper, assistant deputy minister, health human resources strategy	

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E-12

E-12

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Ministry of Health
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Assemblée législative de l'Ontario

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STANDING COMMITTEE ON
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BUDGETS DES DÉPENSES

Tuesday 17 June 2008

Mardi 17 juin 2008

*The committee met at 0902 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Tim Hudak): Good morning, folks, members of the committee. Welcome back to the Standing Committee on Estimates for our regular meeting of Tuesday morning, June 17. There's a total of four hours and 47 minutes remaining for the estimates of the Ministry of Health and Long-Term Care. That means this morning, this afternoon's session, and we'll have an hour and a bit on Wednesday if the Legislature is still sitting on Wednesday. There may be some discussion among members about trying to move that meeting. If that's successful, I remind members that we need a unanimous motion in the House. Otherwise, if the House meets tomorrow, we're back here at 4 o'clock on Wednesday.

Last time we met, the official opposition had finished their 20-minute cycle. We now have 20 minutes for the third party. Madame Gélinas, the floor is yours.

M^{me} France Gélinas: Good morning, everybody. My first question has to do with a program called advanced access. It has been a system proven to reduce long waits for routine appointments and it has been said that if every family doctor in Canada—that applies to Ontario as well—went to advanced access, every Canadian would have access to a family physician. Would you be able to tell us a little bit about what research the ministry has conducted on advanced access? Is the ministry interested in expanding the use of this system? Are there many primary care agencies such as CHCs or others that have adopted this system?

Hon. George Smitherman: Who's the vendor?

M^{me} France Gélinas: It's not a vendor.

Hon. George Smitherman: It's free?

M^{me} France Gélinas: It's being shared, anyway. I know quite a few community health centres that use advanced access, and they certainly teach one another.

Hon. George Smitherman: I couldn't tell you that I've ever heard—obviously I've heard of the idea that there's more capacity to have routine appointments captured through a variety of software; I've never heard of that one in particular. I must confess that, as a Minister of Health, I work as hard as I can not to address health care information technology issues with a particular product, because usually there is a particular—

M^{me} France Gélinas: Vendor.

Hon. George Smitherman:—vendor, so I try to be as agnostic about that knowledge as I possibly can. I think the deputy might have some idea, or perhaps there is someone here who could speak a little bit more about electronic health. I would place such an initiative in that context, typically.

Mr. Ron Sapsford: Chair, with your permission, I'd ask Dr. Pepper to speak briefly to this issue.

The Chair (Mr. Tim Hudak): Sure. Welcome back. I wonder if you'd introduce yourself, Dr. Pepper, for Hansard purposes.

Dr. Joshua Pepper: Sure: Joshua Pepper, ADM for health human resources. Good morning.

M^{me} France Gélinas: Good morning.

Dr. Joshua Pepper: Advanced access is actually something we're very familiar with. We've done a major literature search, and we've made the results of that available to the different types of models and groups of physicians. It's also something that the physicians themselves—through your example, through the CHCs—often undertake to engage. It is part of our constant improvement process in our primary care reform models, and it's something that we continue to look at as well, working with the OMA, which also has an interest in this model and its potentials. As you know, there are some jurisdictions in Canada that have used it more than others, and we're learning from their experience.

It's certainly something we're aware of, something we've done a lot of reading and research about and something we're working on with the OMA.

M^{me} France Gélinas: So far, have the discussions been positive? Is it something that groups would like to move towards or is it too early to tell?

Dr. Joshua Pepper: As always, there are early adopters who are very interested in trying new models, so I think there are places in Ontario that are very interested in getting on board with it. Then, there are others that may wait a little bit, and that's true of the introduction of any new piece. I do know that we have groups of physicians that are very interested, and we have a lot of information available.

As you know, right now we're in the middle of OMA negotiations, and so some of those discussions are probably inappropriate to share at this point. But it is something we'll be talking with the OMA about potentially. We do a lot of work around primary care with the OMA, so we do have ongoing discussion even outside the negotiations about innovations like advanced access.

It's something we're definitely looking into a lot. Some groups are very interested; others say they feel comfortable with what they have.

M^{me} France Gélinas: Very good. My other question is—I'm kind of picking up loose ends this morning from previous ones.

Hon. George Smitherman: No problem.

M^{me} France Gélinas: One of the first bills we passed in this session was the Fairness for Military Families Act, which basically eliminated the three-month wait period for military families coming to Ontario. Can we find out how many people have been affected since we passed this bill and how much it has cost Ontario?

Hon. George Smitherman: The deputy will know whether we're able to—

Mr. Ron Sapsford: I don't have that information here for you. We would have—oh, I just have it: 48 families.

M^{me} France Gélinas: Do we know how much this has cost Ontarians?

Mr. Ron Sapsford: No. We'd have to go back and actually look at services provided. That would be a different question.

Hon. George Smitherman: And it might have privacy considerations, given that it's such a small group.

Mr. Ron Sapsford: Yes, it's more difficult.

M^{me} France Gélinas: Certainly the Association of Ontario Health Centres has been pushing to eliminate the three-month wait period for OHIP coverage for new immigrants. Given that we've had this test case with the military families, has the government studied the issue as to how much it would cost to eliminate the three-month period?

Hon. George Smitherman: I know that we just filed a request—I'm not sure on whose behalf—with the legislative library on the cost. It's an estimate based on a formula, but I'm certain that we'd be able to make that available to the committee.

M^{me} France Gélinas: Okay, thank you. Was that you who—
0910

Hon. George Smitherman: It was a request that came from the library, so we did the research. It's in our approvals process or it has been submitted to the library, so I know some research has been done on trying to make an estimate of what the cost of eliminating it would be on an annual basis. I'm quite certain that, in short order, we would be able to make that available to you and to all members of the committee.

M^{me} France Gélinas: Very good. Thank you.

Changing topics again, I'm on to medical records. There are fees charged by physicians who close their practice for people to gain access to their medical records. Has the ministry taken any action to address some of the fees that seem to be a little bit outrageous?

Hon. George Smitherman: I can't answer your question specifically about actions that we've taken, but we do keep our eye on it. We haven't moved in a regulatory fashion. I do know from my own correspondence book that it's an issue that quite a few people find very

irksome—the idea that, at the end of a period of practice of a physician, the medical record that is obviously intensely personal information, is not theirs. I could identify with the issue. I understand that people have been very concerned about it, but I don't have more information about it. The CPSO would have the opportunity—it's the same with the block fees. There are guidelines around the appropriateness of this that the CPSO regulates. We could certainly make those available.

M^{me} France Gélinas: The guidelines are just that—guidelines. They say, "\$1 per page for photocopies, \$1.10 if it's back and forth," something like this. The problem arises when those guidelines are not followed because they are just that—guidelines. They're not mandatory fees, and physicians basically don't always charge \$1 per page; they charge \$300 for your chart, no matter what it is.

Hon. George Smitherman: What we could certainly do is make an inquiry of the College of Physicians and Surgeons of Ontario, when they do hear of an instance where the guidelines have not been followed or adhered to, about whether they have in their processes any investigation around that or what have you. I must confess to not knowing enough detail about it, but we'd be very happy to get more information for the committee from the college.

M^{me} France Gélinas: Okay. I'm on to another loose end, and it has to do with the marginalized—basically, we'll call it the subpopulation. Knowing the health care costs of populations such as homeless people or unemployed people on social assistance is crucial in determining what resources should be in place upstream to reduce homelessness, reduce poverty and reduce unemployment. Does the government have any way of tracking the health care costs of some of those subgroups? Is this something they're interested in? Is this something that's being done?

Hon. George Smitherman: I think we have a relatively similar question that you asked last week about some of the kinds of populations—

M^{me} France Gélinas: First Nations.

Hon. George Smitherman: —but also about the prioritization of some of the primary care investments. So I think the ministry will be working on trying to prepare some information for you about that.

There's a lot of reliance as well upon some of the work that's done from research initiatives. In my own riding, the Wellesley Institute and St. Michael's would each be very active in the area of doing urban health research, which would help to underscore some of the costs associated with the provision of health services for the homeless. I'm not sure that we have any substantial, population-wide baseline information like that. Very often, we would be relying upon a review of the literature to inform our understanding of those things.

The deputy might talk about how the ministry is being reorganized, and where we're creating better capacity around the ability to analyze more of that information and be more strategic in the deployment of resources.

Certainly, seeking to distribute resources in an equitable fashion depends more and more on knowing more than just how many people live there. A lot of people say, "Well, there are 600,000 here and 300,000 there, so we need twice as much here as there." But your question, obviously, suggests and understands that the underlying number of homeless people—or that poverty is an influence on our health circumstance and, accordingly, on health need.

We'll work to see what information we're able to provide along those lines. I don't know whether it might be helpful for the deputy to speak just a little bit about the way the organization of the ministry is evolving to take better advantage of that kind of information.

M^{me} France Gélinas: Yes; very good.

Mr. Ron Sapsford: In terms of the direct question about relating actual health care costs to actual subpopulations, we wouldn't have that database immediately available. So, as the minister said, part of the general approach is looking at the broader research available that's done at the broad population level.

Since the inception of local health integration networks, we have been looking at reorganizing the ministry into broad functional themes, and one of them that's now represented in a division is the whole issue of policy research as well as, in another division, funding models. So, very much the future agenda at the ministry is to begin to look at broad systems issues, such as the one that you've raised here today, to begin to provide better information and better analysis about future resource application, taking into consideration population needs.

One of the themes that the government has set in the implementation of all these programs is equity. So looking at different population subgroups and applying that as we move forward with program implementation is one of the key ingredients to our future work.

I think the other point I would make is that the ministry relies to some degree on responding to that kind of issue on local health integration networks. In their planning functions, as in district health councils before them, they focus on their own local population, and as they deal with service planning in their own communities they would understand at a more intimate level the needs of their community, based on issues like poverty or special-needs populations. To a degree, the ministry would rely on that work for making future investments.

M^{me} France Gélinas: All right. Does the ministry capture or is it able to extract the intelligence or data as to the percentage of the Ministry of Health and Long-Term Care's budget that is spent on health promotion and disease prevention, as opposed to diagnostic treatment etc.? And if it does, then, is there a target percentage or number that the ministry is trying to reach? I understand we have the Ministry of Health Promotion, but I'm talking within the spending of the Ministry of Health and Long-Term Care. Is there a way to keep track, and if there is, I would certainly like to know what it is and what is included.

Mr. Ron Sapsford: We don't have a running tally of that. You would have to look at the program expenditures and then make a judgment. For instance, if you look at public health, where there is a very large dollar amount in our provision, it's then a question of how much of that you would designate as health promotion or prevention. Some would argue all of it, but some of their very specific services would be excluded.

I think the other area we would look at is the screening expenditures that are in here.

Hon. George Smitherman: Vaccinations.

M^{me} France Gélinas: Yes.

Mr. Ron Sapsford: Vaccinations and so forth.

Hon. George Smitherman: Some of it's in the eye of the beholder: Is health promotion the same as disease prevention etc.? We could all work on lists. Some people would have different views about whether you see that as proactive etc., but I don't think there is one number that we have.

Obviously, as a government, it has been a substantial enough focus that the Premier felt it was important to elevate to the level of cabinet a minister who focuses much more on the proactive or, as we explain it, the idea that the Minister of Health Promotion will stem the tide of patients to health care's door. Some things are not about cost centres, like the Smoke-Free Ontario Act, which our ministry initiated, which is obviously regulatory. It's backed up by some other investments, so it's not entirely about how much it costs.

0920

M^{me} France Gélinas: The other one is not entirely about how much it costs either. It has to do with, does the government assess the health impact of other ministries' policies? Is this something that is done?

Mr. Ron Sapsford: There are, among the ministries, policy tables for discussion. So as major policies come forward from the social policy ministries, if I can describe them that way, there is a forum for discussion across the ministries about a new policy coming forward from whichever ministry. Part of the consideration in preparing positions for cabinet consideration includes impacts on other parts of the government. Often, other ministries are given the opportunity to comment directly on new policy proposals coming forward. So there is a built-in mechanism for that consideration coming forward.

Hon. George Smitherman: So when the Minister of Education moves forward with a policy of restoring daily mandatory activity, the Minister of Health at the cabinet table says, "Rah, rah, rah!" But there's not a blanket process that would put a qualitative analysis on that which says, "We think downstream that offsets this trajectory for obesity." We're not operating at that level, but typically it's more likely offered as a supporting comment, or theoretically it could be offered to say, "That's got a health implication or a health risk." I'll stop there.

M^{me} France Gélinas: No, I was interested in what you were saying. But to say that there is kind of a screen on government policies and bills to see the impact on

health is not necessarily there, but it does happen through the discussion that takes place; is this what I'm getting out of what you just said?

Hon. George Smitherman: In every item there's an opportunity for comment, but to use the word "screen" is to suggest a level of formality. What I'm getting at is that I think in some processes, you could say, "On every item that's coming forward, there will be this question asked and answered." It's not like that, but there's an opportunity for comment on all initiatives that come forward.

M^{me} France Gélinas: Okay. I'll try to get my last one in. I understand that the ministry is providing what is called the quality improvement innovation program. It's training to help professionals working in family health teams. I was just wondering if I could find out how much the ministry is spending on that training for family health teams and collaboration.

Mr. Ron Sapsford: We'll find that out, yes.

Hon. George Smitherman: I don't think any of us knows off the top.

Mr. Ron Sapsford: This was specifically for family health teams?

M^{me} France Gélinas: That's right, but I'm also interested—will that training be available to other primary care models such as CHCs, AHACs, nurse-led clinics etc.? And how much has been identified for the training to those models?

The Chair (Mr. Tim Hudak): We'll have to end it at that. Before I go to the government members, I want to recognize some special guests from the Parliament of Ghana who have joined us this morning. They were in the Legislature yesterday. We have Ms. Gloria Insaído, Mr. Kwesi Eshun, Ms. Martha Acquah Hayford, Mr. Addow Quashie and Mr. Adams Fusheini. Thank you very much for joining us. I hope you're enjoying the morning sessions.

We'll now go to the government members, who will have 20 minutes of time.

Mr. Phil McNeely: Minister, access to quality health care in Ontario is something that all members value. I understand the importance of offering a wide variety of health care services close to home. My community of Ottawa-Orléans was recently the focus of a good-news announcement from the ministry about the creation of a family health hub. How is this announcement going to benefit my community, and how is it an example of the improvements that you're making right across the health care system?

Hon. George Smitherman: I thank the honourable member. The issue of health care in your community of Orléans has obviously been a pretty hot topic. As I've had a chance to travel around Ontario looking at health care quite a lot, Orléans is a very distinct model. The Orléans Urgent Care Centre, which has been a backbone of service in the community, doesn't have too many peers. I think in Barrie, Ontario, the ministry has found one other model of urgent care that's delivering, in a community clinic, a level of service that—it isn't the same as an emergency room, you can't say that, but a

very sophisticated array of services, a breadth and comprehensiveness of urgent care services that's quite impressive, from fractures and on-site diagnostic capabilities etc. We've really seen that as an opportunity, alongside other investments, to bring under one roof a lot of capacity; not a hospital, but a community health hub which has a very comprehensive array of services and can meet the needs of a growing community.

In Orléans, what I expect will emerge is something that will bear some resemblance to what St. Joseph's Hospital has in the east end of Hamilton, which is a multi-service site that has primary health care in the form of family health teams, which we've been proud to announce and which, with good capacity in Orléans, will begin to emerge. With the urgent care centre, with some additional support from the government for nursing services and overhead costs, we'll have the opportunity to bring under the same roof a lot of services that are provided, some already there and some that we would add through the Montfort Hospital. You have an MRI there; you have some mental health programs. We want to enhance the diagnostic capabilities, take a look at satellite dialysis, all emerging under one roof in a centre that will be impressive in its size.

I think it will also be a strong economic contributor. You're going to have hundreds of jobs under one roof. That's why I think, especially for our province, which has so many suburban areas that have grown so substantially, we will be able to create a template there that I'm sure will be very adaptable in a variety of other places in Ontario.

Mr. Phil McNeely: How does home care and the services that the LHIN will be delivering or be responsible for tie in? Will that tie in with this new hub?

Hon. George Smitherman: One opportunity that's certainly there—and decisions on this will have to be taken in your local community—is that sometimes people like to use the expression "one-stop shopping." You can't promise that you're going to have everything there, but certainly our community care access centres operate more than 209 distinct offices and sites. I think it's an example of how they can be well integrated into this kind of hub model.

You can see from the announcement that we had a chance to make just a few weeks ago the palpable enthusiasm of Dr. Cushman, the CEO of the LHIN, and also Gérald Savoie of the Montfort Hospital and the board chair, Mr. Lefebvre. They were in attendance and demonstrating a lot of excitement. So we've given Montfort \$100,000 to start to do the planning, and your community will be engaged in that. Over the next period of months, we expect to see a very exciting template for, as I said, something that I would anticipate would emerge in other parts of the province as well.

Mrs. Amrit Mangat: My question is about the health-based allocation model. I know this question has been asked by the opposition, but I need further information about this. As you are aware, the GTA-905 is a high-growth area. I know you have created a health-based

allocation model that you use to allocate growth funding to other hospitals.

In April, you announced \$30 million in growth funding for our hospitals, and in the 2008 budget there is \$120 million over the next three years to help hospitals in areas experiencing high population growth to meet anticipated demand. Can you tell me how this funding will be allocated to ensure that it is fair and equitable to all communities?

0930

Hon. George Smitherman: We did have a question about HBAM, the health-based allocation model. Actually, in a second, I'm going to ask John McKinley, who is the assistant deputy minister, to talk a little bit more about that model. But first I just wanted to put some of the principles in context. It really goes back, even a few minutes ago, to the exchange that I was having with Madame Gélinas with respect to better understanding not just how many people live in a community, but what their circumstances are and how their circumstances influence the need for health care services.

Not every population of 100,000 is alike. Some are going to have a higher density of seniors, a higher density of low-income individuals, each of which would be an influence on the appropriate level of health care services that are required. Sometimes people just say, "Well, it's a high-growth community," but when we look at the greater Toronto area, we find many high-growth communities but not all of them with the same underlying demographic. If we look to the Central Local Health Integration Network as an example, we see a much higher proportion of seniors in that LHIN than in some of the surrounding LHINs. We try to establish these principles and develop a model the health care system can understand.

John McKinley will tell you something more about the methodology and how we've been working to apply it to our funding allocations in the Ministry of Health.

The Chair (Mr. Tim Hudak): So can we get John McKinley, ADM?

Mr. John McKinley: The health system information management and investment division.

Hon. George Smitherman: What is the acronym for that, please?

Mr. John McKinley: HSIIM.

The Chair (Mr. Tim Hudak): Can we print it in Hansard?

Mr. John McKinley: Thank you for the question. As Minister Smitherman said, the health-based allocation model is a new model that we think is cutting-edge in the health care industry. It really is to help manage the health care system and support resource allocation decisions, basically from the ministry to the local health integration networks, and potentially the local health integration networks could use this in their decision-making to allocate resources to individual health service providers.

The model's strength comes from its focus on individual health care needs and it's about the entire population of Ontario. It's also about where they get their

services, not necessarily where they live. We associate the appropriate costs with those services and then we get a good picture about what is going on with the entire population.

Some of the highlights of the model, so that you can begin to understand how we do it: We create a profile of every last Ontarian; all 12.5 million Ontarians have a profile that is built through the information sources we have that we can identify, where individuals get their care. That's from hospitals, home care and long-term care. Then we segregate them into groups of people based on the group of services they are using. A group of cardiac patients would be grouped together so that we could begin to understand the age impact of cardiac services, for example.

We also have people in this profile who have blanks. There are lots of us in Ontario who don't use the health care system. It's important to understand where the needs are and where they're not. We also look at that. Then we use these profiles to understand the relationship between age, sex and income to an individual's use of the health care system. Through that, we can predict the future use of the health care system based on how the population will change over time.

Once we have this profile, we can assign unit costs to each of those services. Those unit costs are average costs at this point; they're not detailed costs, but it's sort of like if you take a group of services and you average them out, this is what they would end up costing.

Then we know where Ontarians went for their health services. We can add up all of those services that an individual has used, where they've used them and sum them all into those LHIN regions. We begin to understand the different profile of each of the local health integration networks based on the actual services they've provided to the people who have used services inside of their area.

We can also determine how that is a percentage of the total cost. We take the total cost and we can break it up into each LHIN area, and understand from other information sources like the population information from StatsCan that works on how to predict for the future. This is where we use the model for growth. We can sort of determine the profile that exists now, see how it'll change over time, predict that change and predict the expected costs for those services in the out years.

That's exactly how we did it with the \$30-million growth funding. What this allows us to do is have a standardized way of looking at the LHINs. We can compare them in a standardized way so that it's fair, equitable and based on what services they've provided and who's actually obtaining those services from that particular LHIN.

When we made the allocation, the \$30 million, we looked at the growth patterns across the entire province and we picked the top 25%. Areas had to reach that threshold of being at the top 25% before they got considered for growth. Then we distributed the \$30 million against those.

Mrs. Amrit Mangat: Thank you. My next question is about international medical graduates. The minister introduced the legislation yesterday. I would like to know if you have been talking a lot about your plans to increase access to family care for all. Part of this strategy is to improve access for international medical graduates. Can you tell us about your plans to continue removing barriers for these individuals?

Hon. George Smitherman: Yes, thank you. The first thing I want to say is that I know the debate yesterday in the Legislature—the discussions at ministerial statements—was maybe not so uplifting to the spirits of Ontarians, but I really think it's important to underscore that the production supply line of doctors in our province has been remarkably enlarged. We've done that; we've taken those steps. Ontarians are beginning to reap the benefits of that.

I have many IMGs in my riding and I attend many events. I know that while there is still frustration, many, many IMGs are experiencing very good progress as residents. So I think, as a premise for this discussion about reducing further barriers, it's really crucial that Ontarians understand that as much as some people will want to say that every foreign-trained doctor is driving a taxi or delivering pizza—people are addicted to saying that. I don't know whether that will ever go away, but it really is at risk of undermining many IMGs who are working hard right now.

For example, two weeks ago we had 135 international medical graduates who are now out in independent practice. They're fully licensed. They're going to places like—I met some who are going to Barrie, Oshawa and Dunnville, communities where the need is very well established. In addition to them, there are 630 other international medical graduates who are in residency programs somewhere in the province of Ontario. That's in the pipeline right now. When we came to office we had 90 positions a year. This year, in those same spots, we have 235. So we have made a good bit of progress.

On top of that, we've dramatically expanded the size of our medical schools, with 23% expansion so far in the first-year spaces. At the Northern Ontario School of Medicine we're getting quite a little bit closer to when people will actually graduate from there. So the production line has been grown a lot and the people of Ontario have put a lot of their money into it.

But we also know that there are opportunities where international medical graduates are being forced into residency positions even though their skills mean they are practice-ready. From jurisdictions like the United States and other Canadian provinces, as an example, it's really very hard to make your way into practice.

When we were re-elected as a government, I had the good fortune of having Laurel Broten as a parliamentary assistant. I said, "I'm not going to give you 100 things to do; I'm going to ask you to do one thing. Take a good, hard look at what things we can still do further to make more progress." She's come back with a report which I recommend to people. I think it's very clear, crisp and

well written. It says that there are steps that we can take to make it easier for international medical graduates to be available to our patients.

Most of that is by regulation, which we will work on over the summer. But in addition, there is a demand to make one improvement from a legislative standpoint, and that is the bill we introduced yesterday. It is a small bill, but it's to define the public interest in law in a way that says the colleges, not just the College of Physicians and Surgeons of Ontario, but all the regulated health colleges, must be mindful of the needs of the population to have access as part of the public interest. It's just a few words, but they're very powerful words and, taken together with these other steps in the regulation, working with the College of Physicians and Surgeons of Ontario, we can do better at breaking down some of those barriers.

Do I have time for two more quick questions?

0940

The Chair (Mr. Tim Hudak): You have about three minutes left in the total time.

Hon. George Smitherman: First is that we must acknowledge honestly that some people who have been licensed as doctors in other lands will not have success here. We have to be honest about that. Now we have now created opportunities like physician assistant, where we can more appropriately transition people into those roles.

The second piece is that we must be mindful at all times of shrinking the timelines because the patients of Ontario need these practitioners. That's really what the thrust of Laurel Broten's report is about. The competition is getting more intense. Accordingly, it's important that our regulatory processes, the registration and licensing, be as swift as possible, obviously always with the safety of patients and the public top of mind. I think that's what the report, the regulations and the legislation help to fuel.

Mrs. Amrit Mangat: Do the transitional IMGs have to find employers on their own or is there any process to help them?

Hon. George Smitherman: I think that Dr. Pepper might be able to quickly offer an answer there.

The idea of the transitional licence is that sometimes we will have the opportunity in Ontario to have a very specialized doctor come and practise, but maybe they have been practising in their specialized area for so long that they cannot actually successfully complete the tests that talk about areas of health care that they will never venture into. Instead of saying, "Sorry, you're a neonatologist, which we need, but you don't know enough about geriatrics, so we're not going to give you the opportunity to practise." This is about taking advertising of the skills they have by having a licence that is defined around the area where they will be practising and with the supervision of an existing practising physician.

The question was, do we assist them in finding those opportunities? Dr. Pepper is more knowledgeable than me.

Dr. Joshua Tepper: I think one of the main ways we've been able to help create better communication is through the creation of the Access centre, which by its

name is to facilitate it. This was opened by the Minister of Health and the Minister of Citizenship and Immigration about a year and a quarter ago. We've actually now been able to assist over 10,000 visits in that short time period, 75% of which are international medical graduates, but again, people from I think over 35 countries around the world.

This is basically a one-stop shop. What's very nice is that it's co-located with MCI, citizenship and immigration. You can get some very basic information about settling in Ontario and what you need to get OHIP cards and social insurance and everything, but then for the health-specifics on how to get licensed, you just move to the other side of the floor and you get a very detailed, hand-held case management approach right through the system. The evaluations have been excellent despite these thousands of people coming through in a very short time. The feedback, the evaluations—there have been two or three now—have all been absolutely excellent.

The Chair (Mr. Tim Hudak): Ms. Mangat, thank you very much. Dr. Tepper, thank you. We will now move to the official opposition. Mrs. Witmer, you have 20 minutes.

Mrs. Elizabeth Witmer: I just want to take a look at cancer treatment. There had been a recommendation made that the province should take a look at expanding chemotherapy into community hospitals where that treatment is already available. I wondered if there's funding in the budget or any indication that that might happen as we move forward in order that we can reduce the wait times.

Hon. George Smitherman: I'll get the deputy to speak specifically to the financial element.

With Cancer Care Ontario, they have been, I think since about the time I became minister, making forward-reaching reports, which provide targets for the government to fund. We've been having good success with the expansion of the regional cancer centres on the plan that they've outlined. The radiation we've done, working with them—pretty good results for Ontarians. And the greater focus is now emerging on the expanding capacity for chemo. All I could say is that we are very adherent to the advice that Cancer Care Ontario offers. They do set them out two, three years down the road, and we're obviously working at all times to try to address their needs.

I do recall that they wanted to triple their chemo funding but double the number of patients they're seeing. You have to think that's a bit of a reach, that we're going to spend three times as much to cover two times as many people. That's a costly formula at its starting point, but generally speaking, on the targets that they've established for us, I think it could be said that over the last four or five years we've been quite successful at meeting them. But I doubt very much that their forward-reaching chemo request is fully addressed in our current estimates. The deputy has probably got some real, genuine numbers there.

Mr. Ron Sapsford: Yes. In new drug funding, as specifically related to cancer, there's a provision of about

\$188 million in the estimates. As the minister indicated, Cancer Care Ontario manages the hospital-based chemotherapy, and to the degree, through their regional centres, they would support expansion into community hospitals, that would be done through their regional programming and then the money associated with the cost of the drugs would be flowed by CCO to those hospitals.

Mrs. Elizabeth Witmer: No, I'm well aware of the CCO reports and asks. It's always a difficult challenge to balance it all.

I guess the other thing that has been suggested is that the province change the funding formula to make it easier for hospitals to aggressively expand their chemo services and to also, obviously, hire more oncologists to drive the program. Is this being given any consideration, or will there be flexibility that would enable that to happen at all?

Mr. Ron Sapsford: The funding of cancer drugs over the history, I suppose, of the funding, where hospitals have started this in the past, many of them have allocated portions of their existing budgets—their global budgets—specifically to chemotherapy. Then, in recent years, the ministry has supplemented those lines. So it's a double question: How much can a local hospital allocate of its existing budget, plus the additional resources that come through the CCO route?

I think the model that's been chosen to deal with cancer services on the whole is this focus on Cancer Care Ontario as providing the broad policy in clinical direction for cancer treatment in the province, and then through their nine or 10 regional centres, which now are under the operation of individual hospitals. It becomes the implementation arm and, then, to the extent that there needs to be outreach with other hospitals, that discussion goes on at the local level.

In terms of expansion and in terms of oncologists and where those resources are needed, that is a discussion that goes on between CCO and their host hospitals across the province and in terms of the planning for those cancer programs. Then, what the specialist requirement is in community hospitals becomes a discussion between the local hospital and the regional cancer centre.

That's the planning framework that goes on and, of course, those decisions are made by individual hospitals in terms of how many additional oncologists, and of what type, we need to support the program in that part of the province.

Mrs. Elizabeth Witmer: The budget also committed to fund an additional five MRIs. I guess my question would be: These five MRI machines that were committed to in the 2008 budget, where will they be and when will they be fully operational?

0950

Hon. George Smitherman: We'll get you the complete list because I run the risk of making an error top of mind. But I think that one is Chatham and one is at the Montfort in Ottawa. I just want to be careful about supplying the rest of them because I may have in my mind MRIs that are still being implemented but actually

were in a previous number. I must confess that when we look at the quantum of resource that's available and we look to the needs—we spoke a little bit about the Cambridge-Kitchener situation.

Mrs. Elizabeth Witmer: We did.

Hon. George Smitherman: I'm actually hoping that of the allocation that the Ministry of Finance spoke about as five, we were actually—I'm not sure. There was a bit of miscommunication between the ministries because actually we were thinking more like three or four new MRIs and the additional operating resources to expand capacity. We have capacity available in the Kitchener-Waterloo region at the off-site—I'm not sure how to best describe it, but the not-for-profit that I described before. So I'm hoping that some of that operating resource would be made available to expand capacity at that one. I don't think we've decided on five, but I do know that the budget papers spoke to five.

I could just confirm that three of the five—Chatham, as I mentioned, Montfort and St. Joe's in Hamilton.

Mrs. Elizabeth Witmer: All right. I thank you for that information. I want to go now—

Hon. George Smitherman: And I've got several members on the committee who have ideas about other local—well, I have at least one member of the committee who has an idea about another localized deployment, but I won't mention the member for Quinte West.

Mrs. Elizabeth Witmer: No doubt.

I want to go to out-of-country health coverage. That particular program wasn't mentioned in the budget. I know that last year, in January 2007, you indicated that parts of that program were going to be under review based on the advice you'd received from the Ombudsman. I just want to know the status of this review and how much money is going to be set aside this year for out-of-province coverage.

Hon. George Smitherman: After the Ombudsman's work, we asked Mary Catherine Lindberg, who is very well known to you, but for the members of the committee, in her day job she serves as—I'm not sure of her title—the director of the Council of Academic Hospitals of Ontario, CAHO. She has provided some advice to the ministry and we're working to incorporate that advice.

I must confess to being uncertain about where this is in the order-in-council process, but we're asking the chair, Linda Lamoureux—we're going to have a new chair at the Health Services Appeal and Review Board. I had a discussion with her a couple of weeks ago. I believe strongly that the out-of-country program is an exceptionally important feature of the Ontario health care system. If the health care system in itself is designed to be, as some people would use the expression, like a safety blanket, then the out-of-country program is even further down. It's designed for a circumstance, where we can't get the job done appropriately here, to still help an Ontarian.

It's a really tough thing because some people will go on the Internet and they'll find a service or a surgery or an idea that offers them hope, and you can't fund

everything. Nevertheless, I really think that the out-of-country program is a feature that I'm proud of. Some people point it out as a weakness, but I've always seen it, as an Ontarian, as something that I'm proud of. But we need to make it work better, to be more understandable, to be more transparent.

The deputy could speak to some of the numbers, but I did just want to mention one particular initiative or idea. What we've tried to do is take a look at what the out-of-country program tells us about our inadequacies. One very precise example of this is that in the last little while there's been a real, substantial increase in the number of out-of-country approvals for bariatric surgery. So we're really working very vigorously right now on building up our capacity in Ontario with a good, province-wide network of access around bariatrics that, in the next two or three years, is going to emerge to be really substantial.

On youth drug treatment, we are sending hardly any—I think it has been almost none. We have enhanced our capacity in Ontario for youth drug treatment so that we're not sending the kids—there might be some who are completing treatment etc., but as a matter of course for about a year now, we have sufficiently enhanced capacity to take care of our own here. That's because we're looking harder at what the data tell us about inadequacies. So that's just as a matter of principle something that I would like all members of the committee to know.

The deputy may have uncovered some funding numbers particular to the out-of-country program.

Mr. Ron Sapsford: Chair, the estimates contain in the range of \$170 million for out-of-country.

Just to add to what the minister said about the report, one of the concerns raised by the Ombudsman which led to the report was some of the process around how approvals were obtained and given by the ministry. So we've made a number of changes in the process.

First of all, we have communicated to all physicians in the province to reinforce what the process is. It is on application for out-of-country—

Mrs. Elizabeth Witmer: Prior.

Mr. Ron Sapsford: Prior—for prior approval. And the application must come from the attending physician. We have made a great deal of clarity in what kinds of requests are acceptable. We've changed the response process so that where an application is received and the information is not complete, we now contact the referring physician to understand, on a case-by-case basis, more details about what the clinical request actually is.

These are all changes from the old process, so that it's understandable, clearly communicated. The reasons for a decision not to approve a referral are given and communicated back to the physician and the patient. These are all improvements that we've made subsequent to the report the minister referred to.

Mrs. Elizabeth Witmer: So these were all recommendations made by Ms. Lindberg, based on her review?

Mr. Ron Sapsford: A combination of that report, as well as the Ombudsman's original concerns.

Mrs. Elizabeth Witmer: If we take a look at, for example, PET scans, there has been an increase, I guess, in recommendations by some physicians for patients to have access to a PET scan. And if you don't fit the basic criteria, then you have no choice but to go either to the private clinic in Mississauga or up to Quebec or across the border.

What is the ministry's position on those PET scans that are being recommended by physicians in Ontario?

Hon. George Smitherman: I think the deputy, or others, could offer some additional helpful information.

I would just like to say a couple of things with respect to PET scans. Firstly, we do have five active clinical trials. I made the point before and I think it's very important that, as Minister of Health, I be very forthright with Ontarians on this point. Sometimes something comes up and it seems like a panacea, and PET scans seem to enjoy some reputation on that basis. But they're very expensive, and the basis of knowledge about where they actually are effective is something that Ontario is leading the way on and that other jurisdictions, such as Australia, as one example, are keenly watching.

So we have advanced clinical trials in five distinct indications for which a PET scan might be appropriate, and we're working on that in Ontario. That's offering access to Ontarians through a mechanism that physicians can apply for. It's not specific to the out-of-country, but just on the issue of PET scans. We are working vigorously to ensure that any government that seeks to deploy PET scans as a standardized element of diagnostics in the province of Ontario would be able to do so in a way that has very strenuous clinical guidelines. It can't be that a PET scan is going to be the diagnostic answer to every indication. We're working very hard to know precisely where this expensive technology is most effective so that its deployment can be done in the most strategic way, because the costs associated with the provision and deployment of this technology are very high.

1000

Mrs. Elizabeth Witmer: There was an article by a lawyer who indicated that the province now must pay for PET scans that were obtained in hospitals in other provinces. Apparently, there was a case prior to the end of last year. I'd like to know whether or not that is true.

Hon. George Smitherman: I think that on the matter you first raised, on the out-of-country PET scans, and in this particular instance—

Mrs. Elizabeth Witmer: Yes, I'm talking about hospitals in other provinces. There was a media story that indicated that, on appeal, OHIP had been forced to pay for a PET scan that had been obtained in a hospital in another province. I just want to know if indeed that precedent has now been set.

Hon. George Smitherman: I don't have information on that.

Mr. Ron Sapsford: Chair, I'll check for the member and bring the answer. I'm not immediately aware of it. PET scans are non-insured services in Ontario.

Mrs. Elizabeth Witmer: But apparently there was an appeal.

The Chair (Mr. Tim Hudak): So the deputy will report back through the committee.

Mr. Ron Sapsford: Yes.

The Chair (Mr. Tim Hudak): Thank you very much.

Mrs. Elizabeth Witmer: I'd also like to know how many people have been reimbursed for PET scans that they went to the United States or to another province to have administered.

Hon. George Smitherman: Sure. We'll get that information together. I assume that information is available.

The Chair (Mr. Tim Hudak): Terrific. Thank you.

Mrs. Elizabeth Witmer: And the last question on PET scans: Minister, when do you see the end of the clinical trials and criteria put in place so that all Ontarians could have equal access? I don't disagree as to the cost and the appropriate use. I think that goes for CAT scans, MRIs and ultrasounds—all diagnostic imaging. You'd have to make sure that the use of all of this new technology is appropriate. So my question is, when will we be reimbursing Ontarians and when will all people have equal access?

Hon. George Smitherman: I think there is equal access at present because the mechanisms—

Mrs. Elizabeth Witmer: When will the trials end?

Hon. George Smitherman: I don't know when the trials will end, but I was clear in saying to the committee—I think I did talk about this at the committee—that for the estimates that are before us, there is no additional funding for the implementation of PET scan technology beyond the existing trials.

Mrs. Elizabeth Witmer: Right. I see that. Do you have something further, Deputy?

Mr. Ron Sapsford: No. I think, in answer to previous questions, some of the trials are in fact finished. In the cases where the trials are finished and the analysis is done, then the ministry converts to a registry; which is to say that there is access for all Ontarians with the appropriate clinical criteria. So there then is no question about screening. If the patient presents with a condition, then access is given to the PET scan through the registry.

Mrs. Elizabeth Witmer: How many trials are done of the five?

The Chair (Mr. Tim Hudak): I'm sorry, Mrs. Witmer, the time has expired. If you want to answer that quickly, you can go ahead, but time has expired.

Mr. Ron Sapsford: I think two of them are now—

The Chair (Mr. Tim Hudak): Sorry, I'm going to have to cut it off. That is the full 20 minutes. We'll have another chance for rotation this afternoon.

Madame. Gélinas, you have 20 minutes.

M^{me} France Gélinas: My next question is about home care. I did get the copy of the interim contract management guidelines for community care access centres. My first question refers to point 2, which I'm sure you haven't memorized, so I'll tell you what it's about.

Hon. George Smitherman: I'm not sure I'd seen till this morning.

M^{me} France Gélinas: Oh well, no problem. Basically, point 2 in the June 2 guidelines to CCACs allowed for contracts to be extended for up to 24 months, but all decisions by CCACs to renew or extend contracts must be within the CCAC approval level of funding. I get out of this that there won't be any new funding for community care access centres for the next two years.

Hon. George Smitherman: No, no. They have approved additional funding in three different pots, I think. This just says, "You can't go and do contracts that extend beyond the allocation of resource that's made available. And, by the way, please don't spend every dollar that we have on paying more for the same, because we have the expectation that you're going to get more services out there to people." It really is just that language which says, "Nothing that we're saying in this letter separates you from the expectation that you will live within the resources that are on allocation for you." But they were having increased allocations.

M^{me} France Gélinas: So the increased allocation should allow them—I mean, the price of gas has gone up, so I'm guessing there will be pressure to increase the reimbursement for mileage and that kind of stuff. There is allocation that has been made that allows them to respond to those pressures?

Hon. George Smitherman: Yes. There are lots of pressures in health care. If you could grow at 12% or 14%, most people would like to. Those are not the numbers that we're contemplating here, but they're certainly numbers which are above and beyond inflationary pressures.

M^{me} France Gélinas: Okay. Then I'll go to point 5 of that same letter. I'll read it to you because, here again—

Hon. George Smitherman: I now have it too.

M^{me} France Gélinas: I also understand that point 5 of the guidelines to CCACs requires CCACs to inform the LHINs of any contract extension, and that the ministry has provided direction to the LHINs to guide them in these situations—I take it because of the moratorium etc. Are we allowed a copy of those directions that were given by your ministry to the LHINs?

Hon. George Smitherman: Yes, I would think that can be made available. The point that's important here is that sometimes existing service providers can't meet their volumes. So we can't constrain a LHIN by saying, "You can extend a contract," in the instance that that party which is currently contracted is already falling short of their service volumes, or in a circumstance where they say, "We've got to hold the line here, but we don't have another 5% of service volumes to give," or what have you. We just make sure that we don't constrain them so much that they don't have a suitable service provider. We're also making clear in point 5 that we expect CCACs to be working very closely and co-operatively with local health integration networks.

The more specific information that was in those directions etc., we'll have to look to pull up. That would be information that's being shared—I'm not sure who—perhaps by an assistant deputy minister.

M^{me} France Gélinas: Okay. So although there is a moratorium, there could be requests for a proposal in those situations where CCAC is—

Hon. George Smitherman: It's possible. It's obviously not our first choice, but we have to be pragmatic. Somebody has to provide the services. If a party is unwilling or unprepared to negotiate that in good faith, then we can't tie their hands to the point that there's no alternative. But to make it very clear, our first priority is continuing the existing relationships within the financial context that is set.

M^{me} France Gélinas: Does the ministry have a timeline as to when it plans to announce whatever process for home care service delivery will come after it was halted in Hamilton? How is the ministry determining what this new process is going to be?

Hon. George Smitherman: I wouldn't say that we have a—you can see that the timeline is roughly established by the contents of this letter. I think that the obligation—I've spoken about this in the House in answer to your questions—is that the ministry assembles advice, they provide it to the government, and the government will consider that advice. I don't have a timetable around that, but you can see that the parameters of the timetable are established in this covering letter.

M^{me} France Gélinas: Thank you.

1010

Hon. George Smitherman: We have a little bit of time to work with, and we want to make sure that we consider all of the best advice that's available. I've taken a lot of meetings on this subject and reviewed a lot of incoming correspondence. The ministry has been working very hard. I'm trying to offer good advice to the government. At a certain point we'll recommend something to the cabinet, and hopefully they'll agree and we'll move forward.

M^{me} France Gélinas: Okay. I guess I'll turn my question around. If there are groups out there that would like to have their views heard about how they would like the provision of home care services to unfold in Ontario, the way to do this is—

Hon. George Smitherman: I think that most of those groups will already have made their voices known by way of correspondence, which is one powerfully effective way to do that. I've said to you before in the House that I'm not going to commit to taking every meeting that people might want. That's not possible in my line of work. But I've taken quite a few on this, and they should make their views known through those mechanisms of correspondence, dealing with the people who they know are there, in the sector, and through their various members of provincial Parliament as well, because you are all very effective in raising the views and concerns that come forward from the community—through all of those avenues, I would recommend.

M^{me} France Gélinas: But there isn't an avenue specifically for this; it's the way you've explained it right now.

Hon. George Smitherman: Yes. There are many avenues to one destination point.

M^{me} France Gélinas: All right. We'll all get there.

Last Wednesday, when I talked to you about the release of the Sharkey report, you said, "I've had a high-level briefing with Shirlée Sharkey on the report." You hadn't seen the report, but you had been briefed on it. Do you know if there were any briefing notes or documents that were prepared for that briefing that you could share with us?

Hon. George Smitherman: The whole report is going to be released at 12:30 today.

M^{me} France Gélinas: Well, there you go. That's easy. Thank you.

The Chair (Mr. Tim Hudak): Good question.

Mrs. Elizabeth Witmer: That's with the Ombudsman too.

Hon. George Smitherman: I don't think they're doing it together, but it's possible.

M^{me} France Gélinas: I doubt it. I'm moving on to alternate procurement—I'm missing a word there—for hospitals.

Hon. George Smitherman: Alternate financing and procurement.

M^{me} France Gélinas: Alternate financing and procurement—sorry about that. When we talked to the few early—they were P3s, really, that were rolled out under your mandates, but we'll call them alternate financing and procurement. There's a lot of talk that some of the services are clearly health care services and will continue to be delivered by the hospital in a not-for-profit etc. Sometimes they're called ancillary services, or you're talking about parking and that kind of stuff, that could be run by the consortia that finance those hospitals and basically could be contracted out. Is this something that is the lay of the land in Ontario: There will be services that will be protected, stay with the hospital, and others that could go, if we're looking at the one in Ottawa, for example?

Hon. George Smitherman: I don't understand the use of the word "protected," and I don't really understand the question. Are you asking where the line is drawn that defines something as an ancillary service or not?

M^{me} France Gélinas: Yes.

Hon. George Smitherman: I think others will be able to offer views around that. As our AFP model emerged, of course the two hospitals, the William Osler and the Royal Ottawa, were, when I became Minister of Health, very substantially along the process. To have moved back from the process at that point would have meant a two-year delay at least in getting those hospitals done. The need was pretty pressing in those places, so we worked really hard to refine the agreement and to ensure that there was never any loss of control or transfer of ownership associated with it.

Despite what has been said, the mechanism is most closely described as a mortgage. I have one of those on my house—it's quite large—but I still feel like it's my house. When I go into the Brampton Civic Hospital, I

know that we're paying it over a period of time, but I don't feel—my father passed on in the Peel Memorial, and I have some association with that hospital and with some of the people who work there. I still feel like that's one of our hospitals. But I do believe that as we moved into the refinement of that model, taking a look at North Bay as an example, we did make—the hospitals for a long time have had the right to make decisions around who provided what services. If we go back I think to the period of time when your party was in government, at Halton Health Sciences—I could dig up the information—I believe there were some services that were outsourced or privatized, to use that language. That's been the case for hospitals for a long time, but I think as the AFP model was refined for hospitals like North Bay and St Catharines etc., we did focus the RFP processes much more substantially on the buildings, if I could just put it that way. I'm not sure I'm answering your question perfectly—

M^{me} France Gélinas: No, you are.

Hon. George Smitherman: Romanow grappled with this: What is an ancillary service? As a Minister of Health for a long time, the place where the debates have become most engaged as far as I could tell is around housekeeping and cleaning. Some people take it to dietary etc., because those people have an interface with the patient. But the biggest debates that I've seen are around what is ancillary—and I don't think there's a clear line drawn around it—and that has typically been around housekeeping and general cleaning, some people getting right down to saying, "General access corridors, that's okay." There have been a lot of debates, but I don't believe there's one place where the line is expressly drawn.

M^{me} France Gélinas: But what you're telling us is that the new AFPs—where your government was clearly in charge from the beginning to the end, not the ones that were already there when you came into power—solely focus on the buildings, so we won't see the consortia being in charge of housekeeping, security, food services, portering etc., and the list goes on.

Hon. George Smitherman: Someone could speak more precisely to this, just to make sure that I've offered that in the most factually correct way. I think that might be recommended, but yes, I think that's right. Correct the record if I've overstepped it.

Mr. Ron Sapsford: There's no hard rule, as the minister has said. In a sense it depends on the hospital project that's being brought forward. So one hospital may in fact already have contracted out those services. They're presenting with a project which includes services that are already privatized. In general, in terms of current project load, most hospitals are not proposing that those kinds of services be included as part of the consortium. Most of them relate to the cost and the operation of the building itself: heat, light, power, maintenance, things that are directly tied to the operation of the building itself rather than the services that are provided by the hospitals. That's the general rule.

Hon. George Smitherman: "Maintenance" is a very important word in that context, because that's about staff who are playing the role of keeping the building in tip-top shape on an ongoing basis etc., but it was more narrowly defined as the processes move forward.

M^{me} France Gélinas: So there's no strict guideline. If the hospital decided to contract out let's say portering, there are no guidelines coming from the ministry saying that those services have to remain not-for-profit, public etc.?

Hon. George Smitherman: That's right. But please, you started your questions about the AFP model. Leaving that behind, I could confirm that the situation for hospitals is exactly as it was when the New Democrats were the government, which is that hospital boards have a substantial degree of latitude to make those decisions on a case-by-case basis in their own environments.

M^{me} France Gélinas: Okay, but it has not changed under the AFP?

Hon. George Smitherman: The AFPs do not encourage or allow the clustering of those services, but a hospital board has the right, separately, to make alterations in service delivery models within their environments.

On the word "guidelines" I think we'll have to make sure that—I'm not aware of any. That's not to say that there aren't any. We'll just make sure that there's no additional information we could provide that might be helpful. To the very best of my knowledge, that's the information I have.

M^{me} France Gélinas: Okay. On a completely different topic again, blister packs: Many health groups feel that those little packs improve health and reduce health costs by providing seniors with the support they need to take their medications safely in their own homes. We understand that the government is exploring whether to continue funding those blister packs. I'm just curious to see what kind of evaluation the government has or will undertake in terms of the health impact and the cost-effectiveness of blister packs before deciding the level of funding that will be available for that format.

1020

Hon. George Smitherman: No, I don't think that's accurate the way you've characterized that. Firstly, was it the Ombudsman? No, I believe it was the Provincial Auditor. Take a look at the Provincial Auditor's reports from the last two or three years on this matter: We got written up for allowing these practices, and there is a pending matter before the courts. I must be careful to acknowledge that.

It's not a matter of contemplation; it's an inordinately expensive solution and it is not one that is embedded in our estimates. I know that there's a lobby going on and I see the public postering that they've done up and down University Avenue. I leave my views about that kind of postering on University Avenue aside, but I have to be clear in saying that, as a matter of policy, we do not anticipate supporting it and we do not have the resources embedded in our estimates to pay for that.

We're currently paying about \$700 million a year on dispensing. I don't have an estimate at hand except to say that it would be hundreds of millions of additional dollars to provide that service for every Ontarian.

The deputy will have some more info.

Mr. Ron Sapsford: Blister packs are one issue. The proposed regulation was really trying to deal with the issue of daily and weekly dispensing. As the minister said, in the auditor's report some concerns were expressed about the amount specifically for that purpose. The current amount on it is about \$70 million in the ODB program.

Where we want to try to focus is the conditions around which daily dispensing and weekly dispensing would be covered by the ODB program. Whether the pills are packaged in a blister pack or not is in a sense beside the point. Some of the communication that's been going on, from the ministry's perspective, is a bit confusing over the difference between daily dispensing versus blister packs. I want to make it clear that the issue for the ministry is around the daily dispensing and not so much the blister pack.

We've been consulting with the field and we've had a number of responses. The ministry is reviewing that particular issue at the moment. At the completion of that, we'll move forward for discussion with the government. But I think it's important to understand that it's really about daily dispensing.

Hon. George Smitherman: More of my comments, as the deputy is being very nice in helping to dis-aggregate all of the content of my answer: The strenuous points I was making about the costs are on the implication around the number of prescriptions, not so much the material of the packs themselves.

The Chair (Mr. Tim Hudak): That is going to conclude the 20-minute segment. We have time in the morning session for the government members. If we do the full 20 minutes, we'll conclude at 10:44.

Hon. George Smitherman: Mr. Chair, just on that point: Is it possible that you might give me five additional minutes since I'm also Acting Premier today and haven't been briefed? Could we add five minutes to the afternoon or something?

The Chair (Mr. Tim Hudak): Yes. Do you folks want to stand down five minutes? Is that all right?

Interjection: We'll stand down five minutes.

The Chair (Mr. Tim Hudak): I'll end it at 10:39.

Mr. Kim Craiton: Minister, there are just a couple of questions I want to ask. One is regarding the family health teams. Before I ask you the question, I just want to share this with you: I remember, before I was elected, my doctor, a young fellow, decided to go out of practice and went into the pharmaceutical business. I guess there was more money there. So I was without a doctor for, I bet you, a year. I remember using telephone books and calling everybody.

Anyway, one night at city council I was kind of bemoaning the fact of what a challenge it is to find a doctor and, lo and behold, this doctor called me out of the

clear blue and said, "I'm taking patients and I saw you at city council. Even though you're a politician, I'll consider you."

The reason I'm telling you this story is that I went down to see him, and there were seven doctors working at this location, which I wasn't familiar with. It's on Queen Street in Niagara Falls. They have a pharmacy there. They actually do your blood testing there. They had a number of services, all collectively working together. It was great because, when he was away, there was always another doctor there. They're open on the weekends; they sort of rotate it.

The reason I tell you this is because I remember, shortly after being elected and sitting with you as the caucus, you were going over the family health team model. As I listened to it, I was thinking to myself, "That's similar to what I am fortunate to have in Niagara Falls, with the doctor who treats me and my family." So when you brought this forward as a model that we going to look at in Ontario, it's something I keenly jumped on because, in some small way, that's the kind of service I have in my community.

I know right now we're committed to about \$53 million over the next three years with our family health teams. I just wondered if you wouldn't mind reiterating, Minister, for the record, the successes and the importance of the goals we have in going forward with the family health teams. In Niagara Falls, in my riding, we have two that have been approved that are going through. In Fort Erie, when I first came on board—and maybe thanks to some of your work, Chair—they were already in that process and were approved as a family health team and it's moving on. St. Catharines, I understand, also has one that's been approved. So they're very active in our area. Thank you, Minister.

Hon. George Smitherman: Let me offer a few things. Firstly, group practice: Ms. Witmer and I have an ongoing debate about this because she likes to pretend that family health teams are just renamed family health groups. But in point of fact, family health teams are substantially different because they add an array of allied health professionals that add to the comprehensiveness.

But no doubt, doctors working in groups is a really good starting point for the emergence of comprehensive care by adding an array of additional staff—the family health team. That's why I like to say that the family health team concept borrows substantially from community health centres, where you do find that comprehensiveness.

Just a few things that are important to know: Last year in Ontario, 83% of doctors who work in groups—which is the vast majority of our primary care doctors—took on new patients. They don't all put up their hand when the College of Physicians and Surgeons of Ontario asks them. They don't say, "Yes, I want to be known as a doctor who's taking on patients." But when we look at the data, 83% of them took on more patients.

It's that kind of commitment on the part of our doctors that has allowed us to get care out there to 630,000 more

Ontarians. That's why the Ontario Health Quality Council has been able to take a good, hard look at the data that are available and conclude that there are 400,000 people actively looking for care. That's still a lot of people, no doubt. If it's one, it's too many, but the target of getting family health care for all that are looking for it is definitely within reach.

The family health team model has been an important contributor to that. To date, we have 1.8 million people in Ontario—patients, that is—who are receiving care in a family health team environment. That's going to grow in the next year or two to at least 2.5 million. The good news is that, of those, 180,000 were previously unattached. So as family health teams are expanding, they are also expanding their reach and taking in unattached patients.

I think the member for Northumberland—Quinte West has told the story about how the team—or perhaps it was the member for Prince Edward—Hastings—in Picton, which was a substantially underserved community, has reached out and gotten care to everybody in that county, and now has gone up to Trenton and reached out and gotten care for 600 people who are associated with the air force base there.

1030

We really believe that the model is working to the point that we've actually started to look at how we can adopt the principle of interdisciplinary care to the other models where doctors are working, and we have some pilot sites in places like Hawkesbury and at Jane and Finch taking a look at how we can expand those principles.

We've got some family health teams that have not fully emerged, and we have 50 more that we're committed to. The first one of those is in Orléans, which we've announced and which the community has been working on for two or three years. Just to put it in perspective, 1,300 doctors and a pretty good ratio, heading towards one to one, where for every doctor who's there, you have an allied health professional. We have at least 800 who are hired already in those environments and many other approvals. So I think that's been very promising.

I'm giving you a lot of information and too many numbers, probably, but here's a really stunning one: In the last four or five years, the number of Ontarians receiving care from doctors in a group setting—not just family health teams, but a group setting of any kind—has had a sixfold increase. In March 2004, the number of patients receiving care from a doctor in one of several group settings was 1.3 million; in March 2008, it was 8.1 million. So there really is an extraordinarily strong foundation of physicians who are working in group practices, and that really gives us the opportunity to continue to expand their comprehensiveness by adding nurses, nurse practitioners and other allied health professionals.

We're in a pretty exciting spot, and I think many jurisdictions in the country would look to Ontario as a place that really is setting a good example. Madame

Gélinas talks about Quebec. They have a different model there for sure, but ours is something that really does offer good prospects for further improvement and gives us a chance to zero in on those 400,000 people whom the Ontario Health Quality Council says are out there actively looking for doctors.

Mr. Kim Craiton: Thank you.

Hon. George Smitherman: Memorize all those numbers.

Mr. Kim Craiton: Those are great numbers to have.

The Chair (Mr. Tim Hudak): We have about seven minutes, Mr. Craiton.

Mr. Kim Craiton: I still have a couple of other questions, Chair.

The Chair (Mr. Tim Hudak): Please go ahead.

Mr. Kim Craiton: I want to talk to you a little bit about diabetes. Again, sometimes it's a little personal around this table, but my wife's brother passed away and one of the causes was diabetes, and I have four friends who have been affected by it out of the clear blue.

Where my doctor is located, they've been working on their own with some ideas. When people come in and there's an indication they have diabetes or a possibility, they've actually been bringing them in on their own—something initiated on their own—and just sitting with them to try to educate them, make them aware that it's possible that they might be a candidate for it and just trying to share with them some of the things they should be looking at.

Having said all that, the reason I'm asking this question is because I was really keen and excited, and I hear from my own community about the fact that we've included in our budget funding for the implementation of a chronic disease prevention and management strategy around diabetes. So, just with the small background information I've shared with you, Minister, I have a bit of understanding why that is so significant. I know my doctor has sat with me and told me the numbers that they themselves project just for our own community, what they feel will be the number of people affected by this. Maybe you could just touch on that as well.

Hon. George Smitherman: Well, a few things first. When we use the words "chronic disease prevention"—they're not at the estimates process with us, but the Ministry of Health Promotion is our dance partner. So part of the strategy you will see coming forward will involve enhanced efforts and resources on their part to prevent diabetes. We've done a lot, but the numbers are breathtaking and startling.

Now, when I look at diabetes, I actually see challenges, that's for sure. You can't help it. You talked about the people—we all have those stories. In our first circle, in our families, with people we work with in our communities, we hear a lot about it. But the reason I'm actually enthusiastic about it is that, at present, the health care system expenditure is extraordinary for people with diabetes because it relates in a huge way to the comorbidities, to use a clinical term. The health care circumstances that people with diabetes get into are dread-

fully impactful and take, on the human toll, in many cases the most extraordinarily expensive interventions that a health care system can have.

Look at chronic kidney disease: 51% of the people who require dialysis have diabetes. I can put a cost on that, but try to put a cost on having to go and be hooked up to a machine three or four times a week for three or four hours, where in some cases you've got to drive 98 kilometres. Then put a fiscal cost to it. That's why I see it as an opportunity.

I can't tell you everything about our strategy because I'm going to save some of that for the day of communication, but in the estimates process, you can see that we've got a lot of resources put together to implement a comprehensive chronic disease prevention and management strategy. What we want to do is learn the lessons of chronic disease management and apply them to diabetes first. They say, "How do you boil the ocean? One cup at a time." "How do you eat an elephant?" or something like that—not that I'm proposing that.

But we really think diabetes is the place to start because the indications touch so many things. For many people with diabetes, for it to be well managed, they need a lot of pieces of the health care system to be functioning well. Our diabetes registry, which will be forthcoming, is really the front-runner to the inter-operable electronic health record that we all speak about. That will emerge first as a benefit for our diabetic patients. At the same time, it's going to provide the practitioners with the computerization and the clinical prompts that ensure that no matter where you go, if you're a diabetic, you get access to the same advice and the same encouragement; that we build into the technology the capacity for co-management or self-management, because diabetes—and cancer too, in many ways—is a very big example to all of us. A health care system might be a safety net, and I spoke about that earlier, but no health care system is going to be able to address problems with a pill or some other solution that is anywhere near as powerful as human behaviour.

To be very blunt with you, for all that we're working to do and to enhance our health system capacity to address, if we don't get more citizens who are proactively engaged in the things that they can do to remain healthy—or if they do have diabetes, to be as healthy as they possibly can be—then the tied-in cost of this one chronic disease is extraordinarily frightening. I take the optimistic viewpoint and see this as the opportunity, the low-hanging fruit, because we're already spending \$5 billion or \$6 billion a year on the costs associated with diabetes, and much of it is being spent on the costly comorbidities: amputations, kidney disease and dialysis, heart disease and stroke. Many of these onset as a result of diabetes.

Doing a better and more effective job of giving the supports necessary to our diabetic folks and enhancing our efforts to stop people from acquiring diabetes through lifestyle choices etc. are all enormous parts of the strategy. Over the course of the next several months,

Ontarians are going to learn much more about the comprehensive approach the government is taking to this. I gave you a bit of a high-level overview of that.

The Chair (Mr. Tim Hudak): Thank you, Minister. I think we'll stop it there in the interests of preparation for question period.

There seems to be all-party agreement that we will meet at 3 p.m. to make sure we get through our time. There is a total of three hours and 10 minutes left in the consideration of estimates. We might have to find 10 minutes that we forgo to get done by 6 p.m. There will be a resolution, hopefully, in the House to allow us to sit at 3 p.m. to get it done today. That way, we don't have to worry about meeting tomorrow.

I remind members as well that after we finish estimates, we have a vote on the estimates. Only members who are permanent members of the committee or substituted in are permitted to vote in those sessions.

Folks, thanks very much, and hopefully we'll see everybody back here at 3 this afternoon.

The committee recessed from 1039 to 1505.

The Chair (Mr. Tim Hudak): Good afternoon, folks. I call the afternoon session of the Standing Committee on Estimates to order, back in session from our recess this morning.

I understand the three parties are working together on a rotation to ensure that we can finish a bit earlier and get through our estimates time. We'll start, as we finalize this proposal, with the official opposition. Ms. Witmer, you have 20 minutes to start today's session.

Mrs. Elizabeth Witmer: Thank you very much, and I have no doubt that the minister is going to answer every question now, since we're going to allow him to get out at 5 o'clock.

Hon. George Smitherman: I'll do my best.

Mrs. Elizabeth Witmer: All right. I know you have endeavoured to do so, and I appreciate it. Since we are winding up this afternoon, I would just begin by expressing my appreciation to the minister. I know that there is a lot of work involved in preparing for estimates. I'd like to thank the deputy and all of the Ministry of Health staff who are here today. I know that the answers to some of the questions we have asked are going to be provided to us at a later date and that it's a lot of work for staff, both the people who work with the minister and particularly for the people who work with the deputy in supporting the minister. I really do appreciate it. I know from personal experience that it's a lot, and I do thank you very much. I appreciate the responses that you have provided to me thus far.

I want to take a look, Minister, at Bill 97. I want you to tell me where in this bill it says that foreign doctors are going to be fast-tracked.

Hon. George Smitherman: The IMG? I didn't know its number. The meat of the bill, if you will, is in the definition of "public interest," broadening the definition so that colleges are obligated in part of their consideration overall, in the registration of not just doctors but foreign-trained health professionals, to take into con-

sideration the impact, the public interest of not having access to physicians. In addition to the legislation, the meat, the substantial elements, are addressed through regulation, which we will be developing, working with the College of Physicians and Surgeons of Ontario over the course of the summer.

Mrs. Elizabeth Witmer: Right.

Hon. George Smitherman: So it's the combination of the legislation and the broadening of the definition around "public interest" and regulation, which we will promulgate over the course of the next several months combined, that is impactful.

Mrs. Elizabeth Witmer: Right, but I think we need to be clear. I sense that with the way that the communication has perhaps come out from your ministry, there is a little bit of confusion. Despite the name of the act, all that's happening here is that we're amending the Regulated Health Professions Act, 1991, and the bill basically says that schedule 2 is going to be amended by adding the following section, which is:

"Duty of college

"2.1 It is the duty of the college to work in consultation with the minister to ensure, as a matter of public interest, that the people of Ontario have access to adequate numbers of qualified, skilled and competent regulated health professionals."

There is absolutely no reference to any specific college. There is no reference to any specific health professional. It's simply a change that applies to all of the colleges and all of the health professionals. This bill certainly doesn't say that we're now going to fast-track IMGs.

Hon. George Smitherman: With respect, I think perhaps you haven't taken the opportunity to read the full ministerial statement which accompanied it.

Mrs. Elizabeth Witmer: Yes, I did read that.

Hon. George Smitherman: But I was certainly very clear, and in the press release as well it's very clear. It makes the point that it is the combination of the legislation and regulation that creates the impact with respect to the fast-tracking of IMGs. I don't have the press release in front of me, nor the ministerial statement—now I do. I think that it's very clear that the regulation process is included in that. I know that the ministerial statement was very clear on that point as well.

1510

Mrs. Elizabeth Witmer: Right, but at the end of the day, this is simply giving a duty to the college to work with you, the minister, to ensure that people have access to adequate numbers of health professionals.

Hon. George Smitherman: I'm not a lawyer, but I don't think that's actually the appropriate interpretation of the words that are there.

The circumstance at present, and the ministry has been informed of this by colleges over time, is that in the absence of this broader definition of public interest, the college is not obligated to consider the circumstances for a community that is without access to those health professionals. In other words, they might be taking those

decisions in the abstract. This is to put front and centre in the public interest section of the RHPA, the necessity and obligation of the colleges to consider the circumstances for patients or individuals in communities. I think it's very substantive on that point, and as you've made the point, it puts all colleges—not simply the matter for the College of Physicians and Surgeons of Ontario but all licensing bodies and colleges—on record with respect to the necessity of considering the broad public interest in these matters.

Mrs. Elizabeth Witmer: Okay, so just clarify it for me: There is no reference in this bill to the College of Physicians and Surgeons of Ontario?

Hon. George Smitherman: As you made the point, it covers all regulatory health colleges.

Mrs. Elizabeth Witmer: That's right. There is no reference in this bill to foreign-trained doctors, international medical graduates?

Hon. George Smitherman: No, we don't want to limit it simply to the college of physicians and surgeons or to the issue of physicians. We want to make sure that on a go-forward basis, all regulatory colleges, as part of their consideration of the credentials of foreign-trained professionals in the registration process, consider and be mindful of the underlying circumstances and deprivation for Ontarians associated with limitations in access. It's really a statement on behalf of the patients, to bring added influence of the patients' circumstances into the work of the regulatory bodies.

Mrs. Elizabeth Witmer: Okay. I appreciate that clarification. Will the Minister of Health or the ministry still have the responsibility of determining, for example, how many nurses are going to be necessary to meet the needs of people in Ontario, or how many doctors, and what specialties? Who will now assume that responsibility?

Hon. George Smitherman: When you use the word "still"—Dr. Joshua Tepper is not here, but until we appointed an assistant deputy minister for health human resources, I would have to say honestly that I don't think the Ministry of Health had emerged to the level of sophistication that your question suggests.

You used the word "still." If the Ministry of Health and Long-Term Care over a period of decades had been set up to be very effective at forecasting health care needs, then it's hard to imagine that previous parties would have shrunk the size of medical schools or been slow in responding to the need to expand them. I don't mean to be combative on this point, but what we have emerging for sure is a health human resources capacity within the Ministry of Health that is much more effective at projecting those very needs that your question gets at.

Because Dr. Tepper has a co-report or a dual report to the Ministry of Training, Colleges and Universities, he's also ideally placed to work with that ministry because it's also responsible as the production line for the health professionals that we need.

Sophisticated health human resources planning is our job for sure, and it's emerging that we're better able and

more sophisticated to do that than the ministry had been historically, the best I can tell.

The deputy, who's had a lot of experience, may have a take on that, but when I arrived there, I have to confess, and I've said this publicly hundreds of times, I really didn't feel, as important as that issue is, that the ministry was—the nursing secretariat, there'd been some work done here and there, but overall I really don't feel that health human resources planning had met a sufficient test in terms of its sophistication. We've been working to add to that quite dramatically. Dr. Tepper is a pretty active piece of that puzzle, for sure.

Mrs. Elizabeth Witmer: I just want to set the record clear on one point. You know what? We can go back and blame Bob Rae, when he was Premier, for cutting the number of doctors, but that's not honest. The reality is that across Canada a decision was made, for whatever reason, to do so, and when it was discovered that that was a mistake, obviously people started to do things a little bit differently.

I think you've answered my question. I guess it's not going to be left up to the colleges to make a decision as to the appropriate number of professionals. For example, right now some of the reasons we don't have specialists in areas where we probably need to have them is because they're not appropriately remunerated. For example, people want to be a pediatrician but nobody wants to be a geriatrician. Who's going to take a look at that to determine—with an aging population, I know this is one area of shortage. How are we going to address that?

Hon. George Smitherman: On the point you were raising with respect to the decision that the Rae government took, I think what you're referring to is that the Mulroney government at that time sent out a—

Mrs. Elizabeth Witmer: It was across Canada. It doesn't matter. But I'm not going to—

Hon. George Smitherman: With all due respect—

The Chair (Mr. Tim Hudak): One at a time. Let the minister respond.

Hon. George Smitherman: With all due respect, it does matter a bit. It's not like the government of Canada offered binding direction to provincial health ministries to cut the size of their medical schools, and I don't think it's accurate to suggest that every province followed that. But yes, of course, there was a report that the Health Canada folks disseminated to people that said, "Oh, looking for a way to cut the growth in health care costs? Produce fewer doctors." Obviously we're still paying a price for that decision, because the physician production line does take quite a long time.

Just on the issue about specialties and the like, when I arrived in the ministry, no one was taking the residency positions for family medicine. Not only have we made sure they're being filled, we've substantially increased the proportion of them. How did we do that? Through our agreement in 2004 with the docs, we substantially enhanced compensation across all platforms. We took the caps off specialties, and in family practice we sub-

stantially enhanced the compensation. We're back at the table right now, and though I can't—

Mrs. Elizabeth Witmer: I know.

Hon. George Smitherman: As you're well aware. The issue of geriatricians, one specific example that you've raised, is well known to both sides and a matter of discussion in that context. We're always looking to try and address those imperfections.

Mrs. Elizabeth Witmer: Okay. I appreciate your responses there and I'm glad we're looking forward to the future to see what health professionals we need for our population.

I wanted to take a look at e-health. We attempted to access the province's e-health strategy online, but all we got was an online directory for the e-health program. I'd like to know why that strategy wouldn't be online, and if it's not, could we get a copy?

Hon. George Smitherman: I can tell you that there will be a lot of action forthcoming on that matter. Some of it is still a matter of consideration before the cabinet. We have done some policy work since the election, but we wouldn't be complete in our approvals process yet and that's why you wouldn't have all of that information available.

I could tell you further, though, that the diabetes registry, which I had a chance to speak about this morning, in terms of the earliest expenditures, a substantial additional investment in the development of the diabetes registry is going to be a big part of that e-health focus. I could just tell the honourable member that within the next few months, substantial additional information about the e-health strategy overall—the diabetes registry is a really crucial part of it—will be forthcoming. But the reason that information isn't presently in the public domain is that it's still subject to some work and to some cabinet-level approvals.

Mrs. Elizabeth Witmer: So are you saying that there's not a copy of the province's e-health strategy available for us right now?

Hon. George Smitherman: Yes, that's what I'm saying.

Mrs. Elizabeth Witmer: When do you anticipate that it would be ready for the public to view?

Hon. George Smitherman: Once it's completed all of its cabinet level approvals.

Mrs. Elizabeth Witmer: We're in June right now.

Hon. George Smitherman: A period of a few months, but I don't have a specific date.

Mrs. Elizabeth Witmer: You think in the fall?

Hon. George Smitherman: I think by the fall, yes. Perhaps even later on in the summer.

1520

Mrs. Elizabeth Witmer: In the 2008 budget, there was an investment of \$47 million increasing to \$239 million in the 2010-11 in e-health systems, such as diagnostic imaging etc. How much of the investment will go to diagnostic imaging, and when will this money start to actually flow out the door?

Hon. George Smitherman: I don't have a specific breakdown on that available. I'm not sure if the deputy has any further information on that.

Mr. Ron Sapsford: The diagnostic piece of it in 2008-09, of the total amount—anticipating about \$40 million.

Mrs. Elizabeth Witmer: About \$40 million, okay.

Mr. Ron Sapsford: That's for the repository for the results of diagnostic testing. They're usually called picture-archiving systems. We have a number of them in place in the province now, and I think the provincial plan called for a total of eight, so this is a continuation of an investment to make sure that all areas of the province have access to this picture-archiving technology. That's the portion for 2008-09.

Mrs. Elizabeth Witmer: And that will start to flow later this year, then, Deputy?

Mr. Ron Sapsford: Yes.

Mrs. Elizabeth Witmer: What about the investment that's going to go to the diabetes registry, which the minister referred to? Again, when will the money start to flow? I think we've heard that there's work that's being undertaken right now. I know it's long-awaited. How much will actually go to the registry?

Mr. Ron Sapsford: Most of the work going on now is internal to the ministry, dealing with questions of architecture: What's the size and shape of it? What are the information requirements to support the registry at the front-line clinical area? A lot of the work going on now is preparatory to actually then moving out and designing the specific information technology. Time frames around it will be over the course of the next year for those investments to proceed.

Mrs. Elizabeth Witmer: So when would we see the registry, then, eventually?

Mr. Ron Sapsford: Excuse me, sorry?

Mrs. Elizabeth Witmer: When would the registry be up and running?

Mr. Ron Sapsford: We're targeting April of next year, 2009. But in doing that, that's a very ambitious agenda. We're trying to—as the minister has said, this is the priority for the beginning of e-health investment, and that's the target we've got at the moment.

Hon. George Smitherman: We should make the point that in order to implement the registry, the necessity is for the advance of computerization into all family health care environments. We know that the uptake on technology to date has been somewhat limited, so some elements of this are also the context of the conversation ongoing with the OMA.

Mrs. Elizabeth Witmer: Okay. That leads me to a question. I was in conversation with a specialist the other day who was lamenting the fact that his office wasn't computerized and ready to go online and that there was no money available. Is there going to be money available in the future to make sure that all of these people in the health care field can be connected?

Hon. George Smitherman: I can say in the future, yes, and to the word "all," yes, but on a phased basis. In

your campaign platform, you committed to have the fully functional, inter-operational, electronic health record by 2014. Our campaign commitment said 2015. Our earliest advances are designed, with the diabetes registry as the thrust, to enhance that computerization across the breadth of family health care or primary health care environments.

You mentioned a specialist. I can say yes, but on a phased approach, we really seek to enhance the benefits, at the primary care level, of having a diabetes registry which can also offer clinical guidance and prompts. So on a phased basis, yes.

The Chair (Mr. Tim Hudak): That's going to conclude the first segment of time for the official opposition. Thank you very much.

There seems to be—I'll check here—all-party agreement to have the following rotation: We began with 20 minutes by the official opposition, 20 minutes by the third party, 10 minutes by the government members. That will be repeated, and then the conclusion will be 10 minutes by the official opposition and 10 minutes by the third party. That will help us conclude by approximately 5 p.m. All agreed? Agreed. Terrific.

Thank you, and now we go to the third party. Madame Gélinas.

M^{me} France Gélinas: My first question, and I know that you've already talked about it this morning, is about the out-of-country treatment program. The only piece that I still wanted an answer on was how many people had applied, let's say last year, or data as recent as you have, and of the people who have applied, how many applied to receive funding after the fact, as in they already got the service and then applied—

Hon. George Smitherman: You mean retroactively?

M^{me} France Gélinas: Yeah.

Hon. George Smitherman: I would hope that we don't keep stats on that, because that's not the way the program works.

M^{me} France Gélinas: No, I know.

Hon. George Smitherman: I really think it's unrealistic to expect that there could be such a program where you can go and acquire a service without any approval and then bring the bill back home. So I doubt that we have such stats, because I assume there's a form letter that says, "I'm sorry, that's not the way the program works." I think the deputy mentioned this morning that we try to enhance through communication to all of the physicians, who are important because they sign the paperwork, to refresh their memory about the necessity of this being pre-approval and no alteration. I don't anticipate any alteration in that element of the policy.

M^{me} France Gélinas: Okay. Then how many have applied and how many have been successful versus turned down?

Mr. Ron Sapsford: For out-of-country?

M^{me} France Gélinas: Yes, coverage.

Mr. Ron Sapsford: Well, because we have the projects in place, the trials and the registries for PET scanning—

M^{me} France Gélinas: No, I'm not talking about PET. I'm just talking about—

Hon. George Smitherman: Overall, out-of-country, total applied—

M^{me} France Gélinas: —people who applied for the out-of-country treatment program.

Mr. Ron Sapsford: Oh, you mean any out-of-country?

M^{me} France Gélinas: Yes.

Mr. Ron Sapsford: I'm sorry, I misunderstood.

Hon. George Smitherman: We may not have that at hand, but that's information we'll be able to get to you. I assume that the Health Services Appeal and Review Board makes note of such numbers in their annual reports, so we'll get that information.

M^{me} France Gélinas: Okay.

Mr. Ron Sapsford: So that would be applications for pre-approval?

M^{me} France Gélinas: That's right.

Mr. Ron Sapsford: We can get that.

M^{me} France Gélinas: If you have anything on people who were a little bit late and went at it too late, let us know also.

Hon. George Smitherman: If we have any stats on that, we'll provide that as well.

M^{me} France Gélinas: The other one has to do with the northern health travel grant. Coming from the north, I hear a lot about it. We still have complaints of people who say from the time they submit their request for reimbursement to the time they receive their cheques, there are still big gaps. I was wondering if this is something that is being monitored, and if it is, if we could have information on this as to the delay between the time the ministry receives the request for reimbursement and the date that the cheque is mailed, I guess.

Hon. George Smitherman: Two pieces of information: This year, the program goes up by \$17 million because, as you know, last year we made two enhancements: on the mileage, per kilometre, and on accommodation. Part of the investment this year is \$1.4 million to upgrade the computer system, which is why we're not responding as promptly as we should. So we know it's a problem, and the investment that we're making in the computerization is designed to enhance the performance of the response to the applications. I'm not saying that well, but to shorten the timelines for a response. We know we're not doing our best work there yet.

M^{me} France Gélinas: Okay. But do you have actual figures as to how long it takes that I could have, or it's more—

Hon. George Smitherman: We wouldn't have that at hand, but yes, we would have some service records. We could try to offer, as well, what our hope would be in terms of the investment we're making, what kind of a standard in performance improvement we might be able to offer to residents of the north.

M^{me} France Gélinas: That would be good. My next question is on the new dental program. The budget identifies \$45 million over the years. It was indicated that these funds would extend the child-in-need treatment to children up to 18 years of age, starting in 2009, and deliver prevention and treatment services for low-income Ontarians. I'm just curious as to the status. Are we still on track for 2009, and for people over the age of 18, is there an announcement planned? How many low-income Ontarians are you targeting with this program that you figure will receive assistance?

Hon. George Smitherman: Well, I can tell you that yes, it's right that the investment of additional resource is \$45 million each and every year. All of the program criteria have not been landed yet and have not gone through the cabinet committee and cabinet approvals process. So while we have been working on it very vigorously, I have to confess that we're working as hard as we can to fashion those resources in the most effective way. As you well know from your experience in this area, \$45 million is a lot of money; we all have to agree. But in an area of need like this, you could spend more. So we're working really hard to try and make sure that we have as sensible a program as possible, which also places appropriate emphasis on the opportunities for prevention and takes advantage of the enhanced scope of practice of dental hygienists. But I could tell the honourable member that it would be a few to several months before we would be in a position to make a final announcement about the program criteria. That would allow us, at that point, to answer more questions that you've asked about the quantum of people to whom we would hope to be able to expand coverage to.

1530

M^{me} France Gélinas: Okay. And for children, to bring the age up to 18, are we still on target for 2009? I think it's January 2009.

Hon. George Smitherman: I think that the approvals with respect to the expansion of the CINOT program would be part and parcel of the overall approvals process. But I would say cautiously, yes. I don't want to prejudge. It proves to be a very complex program to develop. I just want to remind the committee members that although I'm speaking about it, it does not yet have all of its cabinet-level approvals. I still have a little more work to do on that program before it would carry forward, but we've been working on it very vigorously and many ministry staff have been deeply engaged in helping to develop it.

M^{me} France Gélinas: I'm also interested in what I call complementary medicine. I was wondering if there was a policy framework for improving and regulating access to complementary health care in Ontario. Is this something that is being worked on right now with your ministry?

Hon. George Smitherman: I think that most people would look at our government as one that—you know, when I became the Minister of Health, HPRAC was defunct, so we got a new chair, we constituted a board and we got them set up with an office. The first thing

they had to do was fulfill the statutory obligations of filing annual reports from prior years. Now they've done—I don't know how many reports HPRAC has done for us. They've been working at an extraordinary clip. You know from the health system improvement bill that we did move forward with substantial regulation of additional complementary practitioners, and we're continuing to work very hard with each of them on building those new colleges. We always ask HPRAC for advice around regulation and also around scope of practice, and that informs legislation. We are, I must confess, knee-deep in the building of the colleges that our previous legislation has called for.

M^{me} France Gélinas: So that would be to allow them to practise. Is there also a budget line that I could look up some place?

Hon. George Smitherman: No. It's a matter, at present, where it's about regulation but not—so we're regulating them to kind of put the stamp of regulatory approval with the colleges so that people can have confidence that said individuals are practising as part of a professional group. But they do not enjoy a budget line or funding access in the context of OHIP.

M^{me} France Gélinas: But thinking of the family health teams, if one of the teams was to request such a practitioner, would they get funding?

Hon. George Smitherman: No—very, very unlikely. It does speak to the platform that the family health team can be to continue to add a wide variety of providers to enhance comprehensiveness. But our family health team approvals to date have been quite specifically focused on—I think you went through most of these yesterday or last week—a range of providers: nurses, nurse practitioners, being kind of the top two; mental health workers; dietitians etc. We have not ventured as far afield as the opportunities regulated health professionals would offer us. We see the opportunity, but there are financial constraints around our ability to maximize that full potential.

M^{me} France Gélinas: I'm moving on to needle safety regulation. I know it's a joint project between the Ministry of Labour and the Ministry of Health and Long-Term Care. So far in the act, the new sharps are to go to additional health care workplaces by April 1, 2009. The regulation lays it out. I'm just wanting to know, are we still on time and on target for this?

Hon. George Smitherman: Yes.

M^{me} France Gélinas: We are. Okay.

Hon. George Smitherman: To the very best of my knowledge, yes. I'm getting a confirming head nod from my deputy too. Either that or he's nodded off.

Mr. Ron Sapsford: If the regulation says April 1, 2009, then it will be.

M^{me} France Gélinas: Well, hospitals are September 1, 2008. The hospitals are coming way faster.

Mr. Ron Sapsford: Yes.

Hon. George Smitherman: Yes, because what we did in structuring the phase-in was take some advice around where the intensity of risk was. We started in those envi-

ronments that had the highest degree of risk associated with them. I'm pretty sure that was the logic about how we structured the implementation of that regulation.

M^{me} France Gélinas: Hospitals are September 1. Long-term-care homes, designated psychiatric facilities, labs and collection centres are April 1, 2009. The list goes on, but we're on target for all of those?

Hon. George Smitherman: Yes.

M^{me} France Gélinas: My next question has to do with acquired brain injury. Do we have a registry as to how many Ontarians with acquired brain injuries are receiving treatment in ABI treatment centres and the ones who are on the waiting list to receive ABI treatment?

Hon. George Smitherman: We have a registry at Hamilton Health Sciences. I don't know well enough to say that it answers all of the criteria you laid out there, but we do ask Hamilton Health Sciences to assist us in tracking those patients for whom we need to get additional services.

M^{me} France Gélinas: That's province-wide?

Hon. George Smitherman: Yes, they play that role as the province-wide leader. Over the course of the last few years, we've made a lot of investment in acquired brain injury when you look at it on a percentage basis. We're getting new clients all the time from a variety of different things that lead to acquired brain injury.

For this year, we're investing an additional \$7.9 million—some of this will not be in the public domain yet. We have \$1 million that's being flowed, that I think first came forward in 2007-08, but a total additional investment this year of almost \$8 million, which since 2003 will bring us to about a 55% increase in supports for ABI.

Some of it is for an across-the-board stabilization increase for all providers, and \$4.8 million of it is to address those clients who are captured on registry by Hamilton Health Sciences. Then \$1 million is for further capacity improvements across the network of community-based services for people with ABI.

M^{me} France Gélinas: Do we track the wait times that people are on waiting lists through this?

Hon. George Smitherman: I'm not sure the extent to which that's a feature of that registry, but we could get you some additional information about what the registry consists of and what data sets it captures.

M^{me} France Gélinas: If it does capture average wait time, I would be interested in knowing.

In long-term-care facilities, there are people with acquired brain injury. There are also people with developmental disabilities. Do we have a picture as to—for now I'll start with how many ABI and how many developmentally disabled people live in our long-term-care homes.

Hon. George Smitherman: It wouldn't surprise me if we have some data on that. I have never seen it or been made aware of it, but we will research it and see what we can find.

M^{me} France Gélinas: Okay. The other one that I would be interested in is, do we have a breakdown as to the age of the 75,000 residents of long-term-care homes?

Hon. George Smitherman: In the same vein, we'll look for that information as well.

M^{me} France Gélinas: Okay, thank you.

Hon. George Smitherman: I think there seem to be more young people. I've been in a lot of long-term-care environments, and it's not like I'm seeing overall a tremendous number of young people, but I have a family member who's less than 30 and is in a long-term-care home, so I'm obviously aware of the experience.

1540

Many people are suggesting that it would be good if the ministry could think about ways, more possible in the urban areas, where we could begin to kind of cluster some of those patients who are below a certain age because the programming that they desire or that would be most effective for them might be different than that for more of a geriatric population. I think that's an idea that certainly merits consideration. But we'll see what stats we have available on those questions that you raise.

M^{me} France Gélinas: My next one is about breastfeeding. I'm guessing everybody knows about the baby-friendly initiative. It's a global program of evidence-based best practice standard and policy to increase breastfeeding rates. I know that it's established in about 20,000 hospitals worldwide, but what I don't know is how many hospitals in this province are accredited with this program. Is this something that you ask a hospital to report on? And are there other initiatives that the ministry does to encourage breastfeeding?

Hon. George Smitherman: I think that for our part, when we look at the province-wide system support, we look to public health units. The issue of accreditation of hospitals on that standard I'm not familiar with, to be very honest with you. I don't know if the deputy has any additional information.

Mr. Ron Sapsford: I know what it is. We don't have that information; we don't collect that information from hospitals directly.

M^{me} France Gélinas: I know some hospitals that are. We don't know system-wide?

Mr. Ron Sapsford: No.

M^{me} France Gélinas: The effort to help encourage breastfeeding is mainly focused through the resources in the public health unit, is what you said?

Hon. George Smitherman: Yes. Well, I mean, that's where I know it's a foundation across the province. Just anecdotally, I am aware that hospitals additionally, some of them, provide enhanced support for breastfeeding, but I don't know specifically enough about whether or how many of them would have signed on to this international protocol.

M^{me} France Gélinas: Is your ministry doing anything else or anything new or is there something coming to further encourage breastfeeding?

Hon. George Smitherman: We have no planned expenditure initiative or policy initiative in that area, to the best of my knowledge.

M^{me} France Gélinas: All right. I'm moving on again: Lucentis, a drug everybody knows by name now. When

the government announced that it would be covering the cost of the drug, many Ontarians were concerned that they would not be eligible, although it was recommended by their ophthalmologist. Can the minister tell us how many Ontarians have received coverage and how many have applied to be covered but have been rejected?

Hon. George Smitherman: I think that Helen Stevenson, who's the assistant deputy minister and responsible for the drug secretariat—I never remember her title perfectly well, but she'll remind us—could speak about this. I think it would be helpful just to set the record straight, because I think at the point that we announced Lucentis, there was a lack of clarity; it could have been clearer, and there was a little bit of confusion. Just to put on the record exactly how the approvals process for Lucentis works and then whether we have any of those stats yet, I'm not sure, but Helen is in the best position to tell us.

The Chair (Mr. Tim Hudak): Just identify yourself for the record, please.

Ms. Helen Stevenson: Helen Stevenson, assistant deputy minister and executive officer of Ontario public drug programs.

Lucentis was reviewed by our committee to evaluate drugs, which I had referenced on an earlier day. We then made the decision to fund the drug. The drug is funded as what we call a "general benefit" on our formulary, which means that there are no restrictions whatsoever placed on physicians to prescribe the drug. We did in our formulary put some guidelines or notes, which is, I'd say, common, in that when our committee does bring forward recommendations, they're often recommending where its use is most cost-effective. We did have those guidelines, but again, we funded the drug on a general benefit basis, meaning that all physicians could use it. To date, we've actually answered, I'd say, because of the confusion that there was, hundreds of letters directly to both patients and to ophthalmologists. While I don't have the exact numbers of how many claims we've had, we could certainly get them, but we are not having any more cases of patients writing in or expressing concern that they're not getting Lucentis.

The Chair (Mr. Tim Hudak): That does conclude our time for this 20-minute segment. You'll have to revisit this issue. Assistant Deputy Minister, thank you very much.

We'll now go to the government members. As part of the agreement, you have 10 minutes. Mr. Craitor.

Mr. Kim Craitor: I have a question, but could I ask Helen—

Hon. George Smitherman: To follow up on the Lucentis question?

Mr. Kim Craitor: Yes. Do you mind?

Hon. George Smitherman: No. I think that it would be very beneficial, to be honest with you.

Mr. Kim Craitor: Lou, do you mind?

Mr. Lou Rinaldi: No.

Mr. Kim Craitor: Okay, thanks.

Mr. Lou Rinaldi: It's your question.

Mr. Kim Craitor: I had a couple of questions, and I'm glad you brought that up. Just so it's perfectly clear, there is no age restriction on this?

Ms. Helen Stevenson: Just to clarify, then, on the program: Ontario public drug programs comprise essentially four programs, the largest of which is the Ontario drug benefit program, and within that is a program called the Trillium drug program. So essentially, among all of the programs, it's possible for any Ontarian to access a drug. If it's the ODB program, the Ontario drug benefit program is for people 65 and over, as well as people receiving social assistance, people in long-term-care homes etc. If they don't qualify through that, any Ontarian can apply for drug coverage through the Trillium drug program—

Hon. George Smitherman: For a listed drug.

Ms. Helen Stevenson: For a listed drug that is funded by us. That Trillium drug program is an income-based program, so if your drug costs are a certain percentage of your income, you can apply and have one of the drugs. Again, it is the same list of funded drugs that we fund for Ontario drug benefit recipients that we fund through the Trillium program.

Hon. George Smitherman: Just on the age bit, if an ophthalmologist says, "This is a—"

Ms. Helen Stevenson: Right. So if a 35-year-old needed Lucentis and it was someone whose income was low in proportion to their drug costs, they could apply for coverage through the Trillium drug program.

Mr. Kim Craitor: And if they were 66, they wouldn't be denied because of their age?

Ms. Helen Stevenson: They would then qualify through the Ontario drug benefit program.

Mr. Kim Craitor: The final question is: What is the cost for putting this drug into the program? What's the yearly cost?

Hon. George Smitherman: We're going to give you an answer, but we're going to just say that we have mechanisms now whereby we do negotiate with the providers. We might not want to offer every number that gives insight into the nature of those negotiations, but I think that we could offer some quantum. What is the effect, over two or three years, of putting Lucentis on the formulary?

Ms. Helen Stevenson: The number that we provided in the announcements was a three-year investment of over \$100 million. It is over that amount. We did, as the minister stated, negotiate a significant discount on that, which is part of these confidential agreements that we now enter into with manufacturers in order to fund drugs.

Mr. Kim Craitor: Okay. Thank you very much. How much time do I have?

The Chair (Mr. Tim Hudak): You have seven minutes remaining.

Mr. Kim Craitor: Oh, good. Okay. I have a seven-minute question to ask you, Minister. I talked to you earlier about the family health teams, and I want to talk to you about the community health centres. What I want to quickly share with you is, I remember when I was first

elected and I travelled—as an MPP this time—through the hospitals, and oftentimes I would go downstairs and sit with the staff and have coffee. “How are things going? Can you give me advice?”—the new guy on the block.

I remember sitting with the nurses, and they would constantly tell me this: “The best advice I can give to you as an MPP is, what you should be doing is going up to your government and telling them to charge \$10 when a person comes into emergency.” This is what they’re telling me; I’m not saying to do this. I was asking: “Why would we do that? That doesn’t make sense.” And they would say to me: “Kim, if you were here all the time like we are, we’re telling you that there’s a large proportion of people who really shouldn’t be coming in here, but we see them. It’s not an emergency hospital the way we knew it, as nurses who have been here for 10 or 20 years. There has to be some other mechanism where they have some opportunity maybe to go somewhere else, rather than keep coming in here, whether they’ve got a high fever or a cut that needs a couple of stitches—but here they are.” Or in some cases, doctors would just say, “Go to the emerg. I can’t see them because I’m busy, so I’ll send them down to the emerg.” I’m listening to the nurses telling me this while I’m there.

1550

Then we came up with the community health centres. I’d like you to just comment on the role they’re going to play in the communities. We have one in Niagara Falls that is going forward, Fort Erie and Port Colborne have one that’s been approved and I know St. Catharines has one. That’s a big investment and a big commitment.

Hon. George Smitherman: Let me talk about community health centres in the context of emergency rooms. Let me say, firstly, one thing we celebrated today in north Hamilton—we’ve just provided an almost \$16-million grant for a new community health centre. This is an issue I think is probably quite well known to Madame Gélinas, who in her prior life ran one of these community health centres. Our government is basically doubling the number of investments that we have in the province of Ontario. It’s one element of a strategy, along with family health teams and enhanced primary care through physicians’ offices, to get care for people in the most appropriate setting.

A lot of people go to an emergency room in Ontario to get a prescription renewed, which I associate as the equivalent of taking a Bentley to a demolition derby. We’ve really got to stop this pattern—which is blowing our brains out fiscally—of using a high-end resource for things that are much more appropriately done in other settings. Of course, you can’t fault the patient too much if we haven’t actually aligned ourselves in a way that gives them the access they need. So our approach with community health centres is similar to the approach with family health teams and it’s all about building up appropriate capacity in the community so people can be conditioned to use the appropriate health care service for the appropriate need.

As we move forward with the work of Dr. Alan Hudson, as we bring our award-winning wait time

reduction approach to the issue of emergency rooms, which really has bedevilled health care off and on for the last few decades, we’re going to be focusing all the more on getting people accustomed to seeking care in the most appropriate way. We’re going to develop something called an urgent care continuum, which is going to help to educate folks around where the most appropriate place would be to access care in the circumstances they’re in.

Let me mention a number from earlier this morning. I mentioned that in the primary care models, where doctors are working in groups, we have nearly nine million patients. That means those patients have access to physicians, even if it’s not their own and even if it’s after hours. One example of how we’ve got to do better is to maximize the utilization of physicians practising in those models and try and divert as much traffic as possible from the emergency room environment.

The Chair (Mr. Tim Hudak): Two minutes left

Mrs. Amrit Mangat: Minister, I know this government has made significant investments in long-term health care reform since 2003. Can you tell me how quality and staffing in long-term-care homes has improved as a result of our investments?

Hon. George Smitherman: Today is an interesting day because we had a press conference at 12:30 where Shirlee Sharkey, who has done a report for us on this very matter, has come out—I encourage people to take a look at it. At the heart of it, when we look to long-term care, we agree there needs to be more people working there. Through the investments that we’ve made over the last few years, we have more than 6,000 additional bodies—workers—providing care in the long-term-care environment. We’ve substantially increased the raw food allowances etc. But as we look to the next three years, we’ll be investing a further \$600 million to bring on at least 4,500 more staff, or the equivalent of 4,500 additional staff, as we continue to build up the amount of care that’s available to our loved ones every day.

The report today also gives us encouragement about mechanisms that we can use to make sure that the dollars that we invest actually achieve the outcome and results that we all expect. We’re going to ask the Ontario Health Quality Council to help us measure the satisfaction of the individuals who are actually receiving that care.

Mrs. Amrit Mangat: I’ll move on to the next question. Can you tell us how you are investing in cancer screening programs?

Hon. George Smitherman: Cancer screening we’ve enhanced quite dramatically, and we’ve launched the colorectal cancer screening program. Other jurisdictions in Canada have done that following Ontario’s lead. Building on a campaign commitment, we really feel that—we have breast cancer screening on the one hand and colorectal cancer screening over here—we have the capacity to bring these together and to formulate a world-leading screening capability in the province. We’ll be bringing additional resource to the table to enhance our capacity.

Early detection of cancer is important. There are people sometimes who are fighting for their lives who

have not taken advantage, or have not been prompted to take advantage, of screening that is widely available. We'll also be funding the PSA test as of January 1, 2009. All of these things together are about enhancing a society's capacity to do screening, which is another way of saying to have early detection, which is in the family of prevention.

The Chair (Mr. Tim Hudak): That does conclude the time.

Interjection.

The Chair (Mr. Tim Hudak): Yes, no problem. We still have another rotation for the government members.

We now move to the official opposition. As part of our agreement, this is your last 20-minute segment, Mrs. Witmer.

Mrs. Elizabeth Witmer: This is the final?

The Chair (Mr. Tim Hudak): Your final 20-minute, but you'll have one more 10-minute.

Mrs. Elizabeth Witmer: Okay. I have a question here regarding an MRI in Lindsay. Apparently, the Central East LHIN has the highest MRI wait times in the entire province. They're waiting 110 days. The closest scanner, as you know, is in Peterborough, which has only a marginally better wait time of 96. So currently, these people are not well served in that particular area. Ross Memorial Hospital has drafted a proposal. It would bring that population into line with other communities in the province. So my question to you is, are you prepared to consider funding for an MRI at Ross Memorial Hospital in Lindsay?

Hon. George Smitherman: Let me say first off that it's nice, isn't it, to finally have some measures, because we didn't have this information just a few years ago. We need to use it well to inform our decisions well.

I would tell the honourable member that two other hospital corporations in the same LHIN, Lakeridge and Rouge Valley, also have some designs on additional MRI capacity using those same numbers. We have to take a hard look at all of that, and we have to take a hard look at where the population base is as well. More typically, of course, MRIs are being sustained in communities that have a pretty strong population base, but we're pretty mindful, yes, of the wait time overall in Central East and that it could use some benefit. But I would want to be very forthright in saying that, in addition to Lindsay, we do have some level of active request from those other hospital corporations in the Central East Local Health Integration Network.

Mrs. Elizabeth Witmer: Thank you very much. They do add here that they have already fundraised the capital expenses.

Hon. George Smitherman: That's great. That's obviously an important sign about the community support for that hospital, which is a good one.

Mrs. Elizabeth Witmer: Exactly. Anyway, we've got that on the record.

I'd like to move now into home care and the aging-at-home strategy. How much of the \$700 million has already been spent?

Hon. George Smitherman: The aging-at-home strategy is \$700 million over three years, or \$1.1 billion over four. This year's budget, give or take, is \$100 million. Of that \$100 million, approximately \$3 million to \$5 million has been spent on the acquisition of 100 Dodge Caravans, which will soon be driving people to 135,000 appointments. Within a few days we'll be allocating the lion's share of that \$100-million resource for this fiscal year. So today, a very small portion of \$100 million; but within a week or two, substantial allocation to local health integration networks, which is then going to flow out and fund approximately 250 distinct initiatives around the province of Ontario.

Mrs. Elizabeth Witmer: Those initiatives that you talk about—what I hear you saying, then, is that so far you've bought the vans, and I'm sure they'll be very much appreciated. But no money has yet gone to patient care. You've mentioned these 250 initiatives: How much of that money will actually go to real people? How many people will be served and will really see a difference in their lives?

1600

Hon. George Smitherman: The program is about to launch, so it's fair to say that in a few weeks the whole storyline will have been altered. In the documents that local health integration networks have considered, they have taken stock of the dozens, hundreds and thousands of individuals who will be impacted by those. I don't have a quantum on those at hand, but through vigorous research and study of the investments that are made, we intend to be able to track the success of them, which will help to inform, because obviously the program is going to grow quite substantially over the next two years. So the tracking of those statistics is an important part of it.

There's one point I really want to emphasize: Right now, of 100% of aged individuals over 80 who are at home, about 20% receive some form of support. So enhancements to home care is one very important strategy. But as we seek to address the fact that, in the next 10 or 15 years, the number of seniors is going to double in Ontario, we're also seeking to enhance community capacity for programs that are essential to help to eliminate the barriers that people experience.

Aging-at-home dollars are not all about medical services being delivered to people in the home; some of it's about eliminating barriers: rides to appointments, Meals on Wheels, snow shovelling, light housekeeping, shopping, installing grab bars and those sorts of things. From the initiatives which will be funded in our first tranche of funding, we may be able to give you a quantum number of the additional Ontarians whom the approximately 250 initiatives are designed to have an impact on. We'll see if it's possible to bring that information together and provide it to you.

Mrs. Elizabeth Witmer: We did contact our local LHIN, and they had absolutely no idea as to how many people were going to benefit. I think it is important that we get that information.

I guess that leads me to another question. I'm going to jump—how many of the 70 recommendations that Elinor Caplan brought forward in *Realizing the Potential of Home Care: Competing for Excellence by Rewarding Results* have been implemented? How many of these 70?

Hon. George Smitherman: I just want to say that on the Waterloo-Wellington LHIN piece, it surprises me that they weren't able to offer you some of that. It may be that they perhaps just haven't tallied it, because in the reports that they submitted to the ministry with their funding proposals, they certainly delineated it. I've had a chance to look through vast reams of all of those. So I do think we'll be able to get you more information.

On the issue of Elinor Caplan's report, I'll have to either defer that to the ministry or to an answer that would be forthcoming. But in my experience, and I'm not sure if it mirrors yours, if I'm ever asked to write reports, I don't ever intend to make recommendations that number 40, 50, 60 or 70, because it's awfully hard to focus your attention on 70 distinct issues.

Mrs. Elizabeth Witmer: And that's why I'm saying: How many have and how many are left?

Hon. George Smitherman: We'll get you that information for sure. But even right from the get-go, I do want to let the member know that at the point that I released or responded to Ms. Caplan's report, there were a few elements—and I can't even remember exactly what they were. We didn't accept every one of the recommendations that had been on offer in the report that she prepared. We'll get back to you with a track of how we're doing.

Mrs. Elizabeth Witmer: Right, the number. Okay.

I want to jump over to emergency rooms. In your 2007 budget, you announced that, under the emergency department action plan, you would support the development of 1,750 new long-term-care beds and the replacement of 662 beds to help discharge patients from hospitals. How many of those beds have been developed and are now being occupied?

Hon. George Smitherman: You would know, from your previous work as a Minister of Health, that if we made an announcement in 2007, there aren't going to be any of those beds built and opened and operating yet. You have land that you have to run an RFP on, then the homes have to acquire the land, get the zoning and the building permits. The construction of a long-term-care home, on average, is 22 months.

As part of an earlier question, one of the things that we'll be tabling can show where those investments are occurring, and perhaps I could recommend to the deputy that we add a column which indicates what track it is on towards opening and provision of service. From recollection, many of those beds are designed to come to life in approximately 2010, so yet another 18 to 24 months before those beds are open. More recently, the local health integration network in northeastern Ontario made an allocation of beds in the community of Timmins which will not likely be in place until 2011. Typically, it's an announcement and then three or three and a half

years, something like that, before you've actually got the product to life in a way that's supporting residents.

Mrs. Elizabeth Witmer: Okay. So you're going to give me a timeline and identify where these beds are going to be built—the new ones—and where the replacement beds are going to happen.

Hon. George Smitherman: Yes, that's right. On the replacement beds, they're in just two communities: in Thunder Bay, where the municipality wants out, so to say, on the delivery of care, and we've worked really hard on an exciting plan there; that's 300 of them, and about 145 beds in Windsor, where I think the facility called Malden Park wishes—

Mrs. Elizabeth Witmer: I know Malden Park.

Hon. George Smitherman: Okay. They wish to focus on other service delivery. Those are the two sites of the replacement beds.

Mrs. Elizabeth Witmer: So there's no further plan to replace the older long-term-care beds?

Hon. George Smitherman: That's a separate matter that I believe we addressed in an earlier period of estimates: the B and C redevelopment. The policy development work with respect to the B and C program is ongoing right now. It's anticipated that we would do that work through the balance of this calendar year. Our plan would be to have a program emerge that, over a 10-year period, renews 3,500 of the B and C beds each and every year, and that the local health integration networks would be involved in helping to determine priority bases. As we discussed, maybe they're going to want to bring together some beds on to one site, because the scale of the long-term-care home, the best practice or the standards, have obviously evolved quite considerably.

Mrs. Elizabeth Witmer: So, given the fact that these additional beds aren't going to be ready until, say, 2010 or 2011, how do you plan to deal with the people who need placement in a long-term-care home and currently cannot be accommodated? I know that you made some reference to that in an announcement recently, but where are we actually going to be able to accommodate people?

Hon. George Smitherman: At the heart of it, what you could see, even in last year's announcement—I think it was \$142 million that you mentioned—there was a very substantial portion of resource which enhanced home care. So we do know that some people who are ALC today in a hospital bed could be at home with an enhanced degree of support. With the announcements that we've recently made, we are enabling that to occur.

There's also a school of thought—and I can't confirm—that suggests that up to 5% of those individuals who are presently in a long-term-care bed, with the level of support that we're now in a position to offer through CCACs, might even be able to return to a home environment or to an environment with one of their children, and the like. We will also be looking to pursue those kinds of strategies to maximize the benefit of the long-term-care asset.

Mrs. Elizabeth Witmer: Jeff Allan had a show last Friday, and although I didn't personally participate, I did

see the issues raised. I would say to you that the care of the elderly is probably one of the biggest issues facing communities in Ontario. In my community, people feel there is a shortage of beds, and I've heard from people in other parts of the province as well. So hopefully we can be in a position soon where we can assist some of our elderly to find appropriate accommodation, whether it's home care—what about the CCACs?

Hon. George Smitherman: Can I just offer one small comment there?

Mrs. Elizabeth Witmer: Yes.

Hon. George Smitherman: I think that there is also institutional bed-itis. There are circumstances where people who are not the individual, are not the patient, have concluded that building more beds is the answer to everything that bedevils us in health care. I got a very strong awakening from a group of seniors on that point very shortly after I became Minister of Health. We're working very hard to build more bed capacity but, at the heart of it, the number of seniors we have—which is, of course, advancing very substantially—they express in pretty crisp terms their desire to be supported to live on at home with dignity and independence. That's why we put so much stock in the aging-at-home strategy as it comes to life this week. But the needs are extraordinary, obviously.

1610

Mrs. Elizabeth Witmer: I agree with you. It's like hospitals: People believe that that's where they need to be. I think people do now recognize that sometimes they can be well treated and cared for in their own homes.

Hon. George Smitherman: If we had all the financial resources to build out everything that some people might envision, down the road, do we actually think that we would have the people, the human resources?

Mrs. Elizabeth Witmer: We don't.

Hon. George Smitherman: It's going to be a very tough situation that we're getting into with constraints around the labour force. These things are important to consider as well.

Mrs. Elizabeth Witmer: I don't disagree with you at all.

If I take a look at local health integration networks: Do they have any connection at all, or do you see them having any connection in the future, to the CCAC bidding process?

Hon. George Smitherman: In the questioning this morning from Madame Gélinas, we linked them at least somewhat, insofar as, because CCAC funds flow through and we've aligned their boundaries identically, this is a pretty strong hint from the government that we think they have a lot in common. I believe that the community care access centres are an aligned delivery agent for many of the initiatives of local health integration networks, but I don't know enough from your question to give you a good answer. Could you illuminate that at all?

Mrs. Elizabeth Witmer: Right now, the LHINs and CCACs are somewhat apart. What type of role do you see the LHINs taking in the whole bidding process?

Hon. George Smitherman: In the discussion this morning, it's really about enhancing their awareness of what's going on, but we anticipate that the CCACs would continue to have primary responsibility for running those bidding processes.

Mrs. Elizabeth Witmer: Do you plan to direct the LHINs to make future funding increases contingent upon hospital levels of efficiency so that efficient hospitals would receive more and less efficient ones less? And if not, why not?

Hon. George Smitherman: I'll ask the deputy to expand on this, but as a matter of principle, we sure are trying to create an environment where good behaviour is rewarded. You and I both know the storyline from health care about the CEO who's crafty and holds out. I think that behaviour has diminished a lot, but people are very mindful; they're watching for it all the time. We work very hard in the ministry to try to make sure that we're rewarding hospitals that are trying to do the right things.

I think that the deputy might be able to expand on that somewhat—not to put him on the spot.

Mr. Ron Sapsford: No, no.

Mrs. Elizabeth Witmer: You never put Ron on the spot.

Mr. Ron Sapsford: The discussion we had this morning about HBAM and the allocation models are part of the future direction for ministry funding policy. There is a strong element in the hospital community that believes that the allocations should recognize efficient operation and hence be reflected in the funding models, and the models that the ministry has used up until now are able to do that. However, there is a question about adequacy of funding. In some cases, there is across-the-board funding. It's a question, I think, of degree: How much of the funding should recognize efficiency as well as other operating pressures?

Up until this point, the LHINs have agreed until the end of 2010 fiscal to use the ministry's funding models for hospital funding. But there remains the question that part of the model of the LHINs is to give some degree of funding flexibility so that LHINs can be sensitive to the local needs of their own facilities. So the policy question that we'll be addressing over the course of the next period is: How much is allocated by formula versus how much flexibility does the LHIN have around the edges to recognize local hospital pressures? That's part of the future funding debate, but the allocation methodology is a fundamental principle of how the ministry would look at future funding.

Mrs. Elizabeth Witmer: I appreciate that response.

I know we're coming to an end. Minister, you've kept us so busy today that I have to run out again and do media interviews on all these issues that are front and centre in health care, but again, my thanks to you, Chair, and my thanks to people around the table.

The Chair (Mr. Tim Hudak): Just to make sure: You will have one more 10-minute—

Mrs. Elizabeth Witmer: Oh, do I?

The Chair (Mr. Tim Hudak): Yes, in your rotation.

Mrs. Elizabeth Witmer: Okay, that's good.

The Chair (Mr. Tim Hudak): That does conclude that set of 20.

Mr. Rinaldi has approached me for a slight change in the agreement, and I want to make sure members are satisfied with this. The government members have asked if they could take their 10 minutes last, which would mean that we go to the NDP, then back to the PCs, the NDP and the government members. It just gives them the time to wrap up. That's not uncommon at the estimates committee.

Hon. George Smitherman: Could I make a small recommendation? Would it be more helpful for Ms. Witmer to have her 10 minutes now?

Mrs. Elizabeth Witmer: No, it's fine.

Hon. George Smitherman: It's okay?

Mrs. Elizabeth Witmer: Yes, it's okay. Thank you.

The Chair (Mr. Tim Hudak): Is Mr. Rinaldi's request okay with everybody?

Mrs. Elizabeth Witmer: That's fine.

The Chair (Mr. Tim Hudak): Okay. To make sure we're clear: for the third party we have 20 minutes, followed by the official opposition with 10, the third party with 10 and then the government members with 10 to conclude.

Madame Gélinas, you have 20 minutes.

M^{me} France Gélinas: My first question has to do with nocturnal dialysis. I understand that the ministry is working with the 26 regional chronic kidney disease centres in the province to establish performance metrics and then work with the centres to determine the best approach to treatment distribution. There are a couple of questions regarding this. Could the minister provide us with some details about those initiatives?

Do you want all the questions now?

Hon. George Smitherman: I just want to say that whatever that language was that you just read, I'm not sure—that's somebody's analysis. I'm not saying it's wrong, but it's not at a level—and I've had two briefings in the last three weeks on chronic kidney disease. So that language is a bit foreign to me. I'm not saying it's not happening, but I could try and answer your question this way and then you could—

M^{me} France Gélinas: Sure.

Hon. George Smitherman: In the next three years, we anticipate that there are going to be 3,500 additional Ontarians who have CKD—chronic kidney disease—and require dialysis. We have a few hot spots in the province of Ontario right now—I'd say, five or six—where our capacity is severely outstripped: Ottawa, Ajax, Stoney Creek and especially in northwest Toronto—Brampton, northwest Toronto and up into the Central Local Health Integration Network. Our first step forward is going to be to enhance capacity in those centres, and the ministry is working very vigorously on the second piece of expansion, which would be to take advantage of a greater degree of nocturnal capacity.

But if we looked to northeastern Ontario—and I know that you've heard it. You've talked about this, the CBC

in Sudbury has talked about this, and Rick Bartolucci has talked my ear off about this. In northeastern Ontario, in the context of satellite dialysis we actually have more capacity than we need, but we want to work as a second phase to examine how we can expand nocturnal. So the first phase is, we've got to build some additional capacity because we're running into real-time immediate constraints for patients in those five hot spots that I mentioned. The next step will be to look at how we can expand nocturnal, and the ministry is working very vigorously on that right now.

M^{me} France Gélinas: Okay. Any sorts of timelines for the first phase—the second phase being the one I'm most interested in. When will nocturnal dialysis be increased?

Hon. George Smitherman: The first phase is, I would say, practically immediately—like, very soon—and once we get that out the door, we will take advantage of looking to expand capacity in existing operating centres, some of which are independent health facility models. So there will be some RFPs that will be necessary. That's going to take us a little while. I think that analysis, that language that you used, is probably how the ministry has engaged the capacity that's out there in the system now, looking at what we can do to build on the nocturnal.

1620

I can't give you a timeline, but people are working on it as a major priority within the ministry. I would anticipate that in the span of the next year, we're going to see a lot of progress on taking advantage of nocturnal capacities. But I don't know how long it takes to build those programs up etc., so I'd be a little bit out on a limb to give any further detail about that.

M^{me} France Gélinas: Okay. Do we know how many people are receiving nocturnal dialysis in Ontario right now?

Hon. George Smitherman: Yes, I'm sure that we do. I don't have that information at hand. Some hospitals are funding it through their global budgets etc., as you're well aware of. It may take us a little bit of time to bring that information together, but yes, I'm sure we can provide it.

M^{me} France Gélinas: I would be curious to know if there is any northern resident who is receiving nocturnal dialysis.

Hon. George Smitherman: Well, we've heard of at least one. But yes, we'll get you more of that information.

M^{me} France Gélinas: Okay; sounds good. The next one is the announcement that slipped out, but it's out there now: It's the sex reassignment surgery. I don't know if you had intended to make the announcement on the day of the gathering, but anyway, you did. I understand that many in the transgendered community are very concerned that the guidelines to access sex reassignment surgery will be the same as when the surgery was delisted in 1998. Can the minister tell us how he plans to establish the new guidelines, who he's engaging to

ensure that the guidelines are reflective of the wishes of the trans community, and when he plans to publicly release those?

Hon. George Smitherman: It's a good question. Let me answer your question in this way:

(1) I have a lot of personal engagement with the trans community and I have a pretty good sense for the positions. But the first message that has been delivered has been positive. People say that maybe in some of the details they have concerns, but overall it has been quite positive to see that there's some opportunity for progress.

(2) I can't remember the specific name—I wish that I could—but there are kind of world standard guidelines that have been adopted broadly in the western world which will inform the work that is done. When we think about CAMH as an example: It's not like, down at CAMH, they'll make up their own mind about how to do this. There is a wide body of world literature which will be depended upon in helping to shape the appropriate way to make this program work.

(3) We have seen the emergence of a lot of capacity for the broad—trans individuals don't identify as gay people but as part of the very broad community. The Rainbow Health Network is something that we funded as a government at the Sherbourne Health Centre—I met with the leadership of the Sherbourne Health Centre yesterday—and they're going to be a partner in working in the development of this model. I will be writing to them and to CAMH within the next few days, beginning the process of shaping the way that a program can work.

Your final point was: When can we anticipate that? I don't have a date in mind, but I took a meeting on it yesterday. I've already looked at the draft of a letter today and anticipate sending that letter and getting the ball rolling quite soon. I'm quite confident that we're going to be able to work co-operatively, because the Rainbow Health Network and the Sherbourne Health Centre are in a really good place. They're very trusted organizations by the trans community and we're certainly going to be engaging them a lot. Susan Gapka, a constituent of mine—one example of a very proactive leader on this—is also a working member of the Rainbow Health Network. We're really looking to build off some of those capacities which have emerged.

M^{me} France Gélinas: Okay—

Hon. George Smitherman: Can I just say one other small thing?

M^{me} France Gélinas: Sure.

Hon. George Smitherman: We also think that there is an opportunity—I think one of the federal government research-granting bodies has initiated a research project into some of the underlying health issues for the trans community. We feel that we can gain a lot of insight as well from that research work, which is already ongoing. We're going to make sure that we're building that into our knowledge base.

M^{me} France Gélinas: I would just add a little advocacy: There is a trans community in northern Ontario. The agency that you've been talking about certainly have

their headquarters and connect well with the people of Toronto, but there is a trans community outside of Toronto, and certainly in northern Ontario.

Hon. George Smitherman: I'm so aware of it and I'm glad that you've raised it, because yesterday I had this discussion in the context—I said, "What if we're talking about a trans individual from Dryden?" I don't know that there are, but it's quite likely or quite possible. We have to be building a model that works.

The Rainbow Health Network: The very notion there is that they would work to build referral capacity all across the province of Ontario. I actually recommended to them that they speak to you, because I think community health centres are one example of part of a kind of network that could emerge as an affirming environment for the broader LGBTQ community.

I don't think it's going to be practical for us, because we are dealing within the grand scheme with a very small number of people, to create a hub-and-spoke model, but we do think that through the use of technology and building the network we can shrink some of the distances that exist and make sure the capacities that we have at the Sherbourne Health Centre emerge to lend support to the broader trans community across the province. This is what we're working towards. We have a lot of work to do.

M^{me} France Gélinas: And no fixed timeline?

Hon. George Smitherman: No, but the policy decisions and approvals have been taken, so we're working on it expeditiously. That's why you can see that I've been engaged in it even this week.

M^{me} France Gélinas: All right, I'm switching over to public health. We all know at this point that there are a lot of public health units that don't have a full-time, fully qualified medical officer of health. I was wondering if your ministry tracked the vacancies within the 36 health units at the level of leadership—certainly, a medical officer of health—but also at other levels within the organization.

Hon. George Smitherman: I do know that we track it at that highest level, but I don't know beyond that what statistics might be available. Do you have anything?

Mr. Ron Sapsford: I don't know for sure. I would doubt that we track below the level, but certainly we keep track of vacancies in the medical positions, yes.

M^{me} France Gélinas: And is this something that you can share with us on a—do you track them twice a year or once a month or—

Hon. George Smitherman: I think the number is what it is, and as it moves we know what it is on a real-time basis, because somehow or other, the Ministry of Health is signing letters which confirms those things.

Did you also raise the matter of compensation in your question?

M^{me} France Gélinas: No, but go ahead.

Hon. George Smitherman: Because again, I'm into the situation where some of this is a matter of discussion in the context of the OMA negotiations, but last Monday I did speak to the ALPHA group, the Association of

Local Public Health Agencies. I did give them an undertaking that we were working on the matter of compensation as a priority.

We've also increased our capacity to train individuals to take on those roles, but I have to acknowledge that we've not been as successful in that area as we need to be. I think that the other thing, which is identifying the elephant in the room, is that there is pending advice to the government with respect to possible amalgamations of health units. We haven't, as a government—the ministry has worked on this, not to the point that they've offered advice to the government and not to the point that the government has considered this as a matter, but that's also something that's kind of hanging in the balance and part of the overall conversation. It seems that some health units, which are quite small, don't have the critical mass which allows them to engage that highest-level resource of an MOH.

Mr. Ron Sapsford: As of June 1 this year, 13 of the 36 public health units have acting medical officers, so that would be the measure of the vacancy rate.

M^{me} France Gélinas: Over 30%. I know it was one of the recommendations from the SARS report, so it has been tracked, so we see—but it was the same back then. It was 13.

1630

Hon. George Smitherman: And it has been lower. That's actually as high as the number has been in a little while, because we just had one or two retirements. The numbers do bounce around a little bit, but mostly it has been to just slightly one side or the other of 10.

M^{me} France Gélinas: I know that you have talked about the status of the 10-year health system plan developed by the ministry, and you've explained to this committee that it has been delayed. I'm curious to see: Is the government putting any resources into developing a similar 10-year plan, a healthy Ontario strategy plan, a strategy to improve population health?

Hon. George Smitherman: I don't know whether there's such a plan in place, but that's a question more appropriately put to the Minister of Health Promotion.

M^{me} France Gélinas: Of health promotion. Okay. I'll come back to the health units, then. A new public health unit program standard and the protocols and performance management frameworks are due to be released this summer, for implementation in 2009. Is the development of these program standards on schedule, and what resources will be provided to the health units to meet these standards? What resources will be allocated to ensure that the province can adequately monitor the implementation? Where would I find this in my trusty little book of estimates?

Hon. George Smitherman: I can only vaguely answer one small part of that, and that will give us a chance for the deputy to flip some pages and give you some more information. On the resourcing issue: In the last four or five years, if we look at the public health funding, it has practically doubled. I've been very clear, as I did when I was at the ALPHA meeting, in saying that

if we look at the trajectory of public health spending, we've been operating pretty much in a 5% world, and I don't see anything on the horizon that's going to make it possible to see substantial enhancement beyond that. That's a high-level answer, but I really think that those are going to be the parameters in which we're operating. The deputy may want to—whether it's on point or not, you could decide, but there has been some pressure from public health to take into consideration, in that annualized funding, growth in high-growth areas, and also taking a harder look at the underlying circumstance of poverty, as an example, because those are obviously important influences in the kinds of needs that a public health unit would be seeking to address in a particular community.

Mr. Ron Sapsford: On page 101 is the vote where you'll find the details about public health expenditure. The question about how much is allocated specifically to implement the review is not identified here separately, but I'll point to the lines where the provisions would be. The \$98,196,000 is the total increment for 2008-09 over the previous estimate, and if you go up to "Official local health agencies," the \$56 million would be the bulk of the transfer. That would be for increments to public health expenditure. It's also an increment related to cost-sharing, and this is, I believe, the final year. "Outbreaks of disease" and "Tuberculosis prevention" would be the other two components.

Specifically in the amount of growth related to mandatory programs: Our estimate is about \$7.8 million. The original review of mandatory programs, though, was not from an expansion point of view; it was simply to review the core programs, to look at what criteria were in place for program service delivery, to clarify those aspects of it. It was never undertaken with the notion that there would be large resource increases in order to complete the review. But in some cases there will be adjustments, and it's covered off in this estimate, within those three amounts.

M^{me} France Gélinas: But are we still on target for—

Mr. Ron Sapsford: Yes. And the review—

M^{me} France Gélinas: When?

Mr. Ron Sapsford: It should be, I would suspect, within the next couple of months. We've done the review and the consultations, and the final documentation is being prepared, and then we'll go on to the approval of the government and then out for implementation.

Hon. George Smitherman: I'm out of here.

The Chair (Mr. Tim Hudak): Do you want to recess, or do you want to have questions to the deputy minister? You have about just over a minute in your time.

M^{me} France Gélinas: I have a minute left in my time?

The Chair (Mr. Tim Hudak): You do have another 10 minutes after this.

M^{me} France Gélinas: Okay. And they don't get 10 minutes? It goes back to—

The Chair (Mr. Tim Hudak): That's right.

M^{me} France Gélinas: No, my next question is not a one-minute question.

The Chair (Mr. Tim Hudak): Why don't I add on your time to your next rotation?

M^{me} France Gélinas: Okay, thank you.

The Chair (Mr. Tim Hudak): Under our agreement here, we now go to the official opposition. Ms. Witmer, do you want us to recess temporarily until the minister returns, or do you have questions for the deputy that you'd like to ask first?

Mrs. Elizabeth Witmer: No, I can continue with the deputy.

I'm just going to take a look at the chronic disease file. As you know, the Ontario Health Quality Council recently, in their 2008 report, said that only 35% of Ontarians with coronary artery disease were considered for each of the three possible medications: Aspirin, beta blockers and cholesterol-reducing drugs. These are drugs that are recommended by experts. The quality council has suggested that Ontario could avoid more than 1,200 cardiac bypasses and balloon angioplasties by administering these drugs. I would say to you, Deputy: Are there plans that would allow all Ontarians to have the opportunity to have access to those three approved drugs in the future?

Mr. Ron Sapsford: As an insured benefit?

Mrs. Elizabeth Witmer: Yes.

Mr. Ron Sapsford: The vast majority of Ontarians have access to these drugs either through existing programs—the Ministry of Ontario drug benefit—or through their own drug coverage plans, where they exist through employers. I think the point you raise about a more aggressive approach to chronic disease management is an important point. In the government's agenda over the course of the next three years, focusing more on better clinical tools, on better processes for the system to use to better manage chronic diseases, is very much part of the ministry's agenda. As the minister said previously, the initial focus is on diabetes and the management of it, to be followed closely by asthma and congestive heart failure, as you've mentioned.

The approach the ministry is using in planning for chronic disease management is across a number of diseases: again, identifying what is best practice; making sure that the clinical delivery system is aware of that; and providing the tools that the system needs to manage patients better between primary practice, community practice and institutional management. The underpinning of that, of course, is the electronic health system. So the observations you've made from that report are consistent with what we're trying to do over the longer term.

Mrs. Elizabeth Witmer: In your budget you did set aside \$190 million over three years to implement a chronic disease prevention and management strategy, and we know that it's going to start with diabetes. But we took a look if we could find this disease prevention strategy online, and we couldn't. Do you have a copy of the strategy?

Hon. George Smitherman: Yes. I mentioned in my earlier answer with respect to that strategy and eHealth that they're aligned. They still have some elements of

cabinet-level approvals, so I think it will be just a little bit down the road before you see a substantive announcement and dissemination of more of that information—not too long, but a little bit down the road yet.

Mrs. Elizabeth Witmer: Okay.

I'd like to turn to nursing. Can you explain why the new-graduate initiative was replaced by the nursing graduate guarantee?

Hon. George Smitherman: Why one was replaced with the other? I don't understand the nature of the question. The new-graduate guarantee we implemented last year?

Mrs. Elizabeth Witmer: Right. Does that replace the new-graduate initiative?

Hon. George Smitherman: Maybe in a renaming, but it was a program that was—we piloted a program, and it was quite short in the amount of time. The feedback was, "That's nice, but it doesn't really address that gap in the clinical awareness that the graduating nurse had." So the new-graduate guarantee was informed by the initiative but dramatically expanded—more than doubled—in the amount of time that it paid for. That's obviously now firmly embedded in our ministry's budget as a base program. Now we're just at the starting point of the second year of it, but we're hopeful that it will produce results that are as good as the first time around, where 86% of nurses who participated acquired full-time employment.

1640

Mrs. Elizabeth Witmer: If we take a look at the College of Nurses numbers, we see that the number of people leaving the profession is greater than those entering it. I just wondered what plan you have to deal with what obviously is an issue of concern when we already have a nursing shortage.

Hon. George Smitherman: I don't think that's the full story of what the College of Nurses numbers tell us. The data that's available on page 2 of that booklet that we handed out earlier—from 2004 to 2007—showed a fairly substantial growth of nearly 7,000 practising nurses in Ontario. But obviously we know that there has been aging that has occurred in the nursing workforce, and that's why initiatives like the late career nursing initiative, which really does use those nurses as mentors and preceptors and engages them in other roles to enhance their ability to transfer skills and learning to the young nurses—that's why we've made progress on those points. This is going to be the challenge on an ongoing basis, obviously: that there can be predictions or projections of nurses who are able to leave, and we're working as hard as we can to encourage them to stay.

One small point on this—I think you'll be aware of it—maybe I mentioned this last week. At the end of the 2007-08 fiscal year, the nurses were in negotiation with the Ontario Hospital Association—ONA and OHA—and we offered to the OHA the capacity to offer their nurses what I would call a loyalty bonus, and it was weighted, if you will, towards acknowledging the long-standing service of Ontario's nurses. That agreement had the

highest level of ratification of any agreement in the history of the ONA-OHA relationship. We hope that's a good omen, but we have lots and lots of work to do to address all the concerns that might exist about nursing on the front line.

Mrs. Elizabeth Witmer: The 2008 budget announced \$107 million over three years for 2,500 personal support workers and approximately \$110 million over four years to hire 2,000 nurses. That's in addition to the annualization of last year's \$14-million announcement of 1,200 RPNs. My question to you is: What are the estimated amounts for these three categories for this fiscal year and the next one—2008-09?

Hon. George Smitherman: Can you just clarify the "three categories" part?

Mrs. Elizabeth Witmer: It's \$107 million over three years for 2,500 PSWs and \$110 million over four years for 2,000 nurses, and this is in addition to the annualization of last year's \$14 million of the 1,200 RPNs.

Hon. George Smitherman: What I can tell the honourable member for—I think that, actually, most of this information is already on the record from earlier questions in estimates. On the PSWs, we're going to implement 865 of those this year—is that August 1 or November 1? I've got a mental block.

Interjection.

Hon. George Smitherman: August 1. The funding for the PSWs kicks in on August 1, with 865. The allocation on the 2,000 nurses is yet to be confirmed. The 1,200 RPNs, although I have to acknowledge that it has not been our smoothest launch of new resources to date, is ongoing. That's kind of in process at present. The reason that the RPNs required a full year is because it had been initiated in the fiscal year in 2007-08. Now it's a full-year implication.

Mrs. Elizabeth Witmer: If we take a look at the human resource cost, is the ministry going to flow through the RN signing bonus into 2008-09, and if so, how much are you allocating in the estimates?

Hon. George Smitherman: It was one-time, and it was already paid for from the 2007-08 finances.

Mrs. Elizabeth Witmer: Okay—

The Chair (Mr. Tim Hudak): That is going to conclude your time, Ms. Witmer.

Your last round now to the third party. You have an additional one minute from previously; you have 11 minutes.

M^{me} France Gélinas: I will continue on the nurses before I come back to my question. In the fact sheet that you circulated, you show that 86% of the Ontario nursing graduate guarantee program ended up finding full-time employment. Could you tell us where those figures come from?

Hon. George Smitherman: The figures come from the analysis of the nursing secretariat. They're our own figures. Who else would have them?

M^{me} France Gélinas: I'm wondering.

Hon. George Smitherman: The individuals register, through HealthForceOntario, for the program, and that gives us the capacity to track that information.

M^{me} France Gélinas: I can tell you that at the Sudbury Regional Hospital it's a program that is very well loved, and the nurses who participated have nothing but good things—in the units that they're on—to say about it. But they're very surprised with the 86%, because in Sudbury, I think the uptake of full-time employment was only 17%, not because the jobs weren't there but because the nurses decided to continue to be part-time for reasons of their own. We were really surprised when we saw this. Somebody must have been very high, because certainly Sudbury Regional was very low.

Hon. George Smitherman: Maybe that's a comment on the way that Sudbury Regional worked the program, and maybe we need to put more pressure on them to achieve more success overall. There was a strong differential, too, between RNs and RPNs. Even though RPNs did better, they still continued to struggle in achieving full-time employment.

We'll get HealthForceOntario—Dr. Tepper is not with us this afternoon, but we'll definitely get back to you and tell you what we can. We'll seek to confirm that Sudbury Regional actually stands out like an anomaly. I'm familiar with Sick Kids. Sick Kids has integrated 200 new nurses into their program. The University Health Network and St. Mike's—these are close to home for me—all had very big numbers and high levels of achievement. Sometimes it relates to the amount of turnover that occurs in the hospital itself, because these hospitals are close by to so many others. Perhaps in more densely populated areas, with more hospital corporations, there's more attrition and turnover, which maybe provides more opportunities. We'll try and tease out more information about the performance of the program at Sudbury Regional.

M^{me} France Gélinas: I don't want to leave the wrong impression. There were full-time jobs available for those nurses. They made choices not to take them for personal reasons, not because it wasn't offered, which is why I'm thinking: How come so different than the rest of the province?

Hon. George Smitherman: It's an issue that comes up all the time, because the Registered Nurses' Association of Ontario—Doris Grinspun—pushes very vigorously on 70% full-time nursing, which we accept as a target. But then I heard very directly from some part-time nurses in Thunder Bay who were very satisfied—even though they were impacting statistics, they liked things as they were. When we put too much pressure on the full-time, it was starting to rattle the stable opportunity that they thought they were working within. So it's a good lesson.

M^{me} France Gélinas: That was just in follow-up to hers; I'll come to back to my question on public health. Will the government require all public health to include advocacy and intervention to improvements in the determinants of health as core public health work?

Hon. George Smitherman: I'd have to say either no or—Dr. Williams is here; he might be able to assist us on this point. Deputy, was that a part of the work of the mandatory program review etc.? I'm not certain, but I don't believe we've been contemplating it at this point.

Mr. Ron Sapsford: I stand to be corrected, but the core program review dealt with very specific areas of public health service like maternal and child health, immunization and school health programs, as opposed to issues around the determinants of health. But I can clarify that.

1650

M^{me} France Gélinas: Okay, thank you. My next question is, again with public health, when will the Ontario Agency for Health Protection and Promotion be fully up and running? Are we working on a strategic plan or anything like that?

Hon. George Smitherman: Fully up and running might be a definition in the eye of—different people might characterize that. But I can tell you that substantial progress is being made. On July 1, Dr. Vivek Goel, a very accomplished gentleman whom they've hired from—he was provost at the University of Toronto; he is coming in as the chief executive officer of that body. There has been a board functioning for quite some time. We're also looking at making progress on acquisition of appropriate real estate.

Just for a matter of public record, we're going to make sure that their offices, which we anticipate would be located at MaRS, will bear the name of Dr. Sheela Basur, as an important acknowledgement of all that she's done and also an important connection back to SARS, which is part of the rationale for the coming to life of that agency in the first place.

They're making good strides.

M^{me} France Gélinas: So will that agency do the full breadth of public health practice, not only infectious disease?

Mr. Ron Sapsford: The detailed discussion with the agency is going on now. We're right in the midst of negotiating the memorandum of understanding, which is required as a crown agency. That work should be finished over the course of the summer. The first major operational responsibility they will take on is the operation of Ontario's public health labs system. We're targeting that transfer for this fall, so before the end of this calendar year. That will be their first major responsibility. The rest of their mandate is in the area of public health research, and then specialized support to the ministry and health units on things like epidemiology and immunization strategy or policy.

So the agency itself will not deliver public health services directly to the public other than what I've said about the public health laboratory service program. Their major function is in support to the Ministry of Health's public health division as well as directly to public health units for that specialized public health backup.

M^{me} France Gélinas: So the answer to my question is, it's not only on infectious disease, but it could be the full breadth of—

Mr. Ron Sapsford: Yes, other areas. Part of the discussion between the agency and the ministry right now is on these points, in terms of the scope and the kind of involvement that they will have over the course of the next year and beyond.

M^{me} France Gélinas: I'm conscious of the time. How long, Chair?

The Chair (Mr. Tim Hudak): I'm just checking. Just under four minutes.

M^{me} France Gélinas: Okay, I have one quick one, if it can be done, because I have two left that I'd like to get in. I understand that a Leisureworld long-term-care facility, where the Ministry of Health recently put a halt on new residents, had a higher rate of infractions. According to an FOI obtained by CBC, this Leisureworld had eight infractions, on average, rather than five. However, at the same time, the ministry approved the transfer of six Diversicare homes to Leisureworld. Can the ministry clarify why that was done?

Mr. Ron Sapsford: The time frames are important here. The transfer of the homes was at the beginning of 2008, and some of the other information you've quoted was subsequent to that, in April and May, I believe. The ministry is currently monitoring two of the homes quite carefully—one earlier this year, where there was a more intense monitoring of the home. The object of ministry inspection is to bring the home into compliance. In the first case, the home was brought back into compliance with ministry standards. With the second Leisureworld home, we've received their compliance report, and the ministry is conducting its review that the response to the investigation and the inspection report is adequate. We'll continue to monitor that home closely until such time as the plan is implemented, which I suspect will be very shortly.

M^{me} France Gélinas: Can I have a breakdown of infractions just by not-for-profit versus for-profit long-term-care homes?

Mr. Ron Sapsford: I don't know, but I will find out. I suspect the answer is yes. It's a question of sorting out which is which and reporting the numbers.

Hon. George Smitherman: Some of that can probably be found on the public reporting website as well.

M^{me} France Gélinas: Okay. I know my time is coming to an end.

The Chair (Mr. Tim Hudak): Last question.

M^{me} France Gélinas: I had the opportunity to attend the launch of the Sharkey report, which you know is a report that I had been waiting for for a long time. In the House on May 7, I asked you if you had received the report and you said no, you hadn't received it. I can quote you, "I have not received the report but would want members of the House to know that upon receipt of the report, it will be in the public domain and made available for all of us to benefit from it." Today, Mrs. Sharkey

seems to have said that she gave you the report in mid-May and you made it public today.

Hon. George Smitherman: You just said that she gave me the report. I think that now we're into nuance a little bit. It's very possible that the report had been in the ministry for a while before I saw it, and there's no doubt that it took us a little while to synchronize our dates and find an appropriate opportunity to put it into the public domain. I still haven't read the report, but I was briefed on its contents when I met with her about 10 days ago or so. So my timelines for instant release are certainly not quite as instant as I had alluded to, but the May 15 date—she was kind of bouncing around on the dates, but I think that might have related to her contact with the ministry and briefing that she provided to them around some of the contents of the report.

The Chair (Mr. Tim Hudak): Okay. That does conclude the time of the third party. Madam Gélinas, thank you very much. The government members have 10 minutes to wrap up. Mr. Rinaldi.

Mr. Lou Rinaldi: Well, thank you, Chair, and how time flies. I'm just going to make a couple of statements and allow the minister, if he has any closing remarks that he wishes—so I don't have a specific question except to thank the minister, the ministry staff and the minister's staff for being so attentive and providing us with all the information, and all the committee members from all sides. It's been a few hours with this particular ministry, but I know that I learned an awful lot even though I'm from the government side, when we drill down to the details—and to you, Chair and the legislative staff for your commitment and timing. We know that this will probably be our last—well, it is, I guess, before we recess. So everybody have a safe summer.

Minister, it's up to you—

Hon. George Smitherman: Well, I don't often find myself in the position of feeling talked-out, but a combination of weekend activities in Ottawa and a serious summer cold seem to have got me in that spot. But I really do want to thank Ms. Witmer, who very appropriately acknowledged—she knows that a \$40-billion budget is a lot of detail. There are a lot of numbers and the amount of preparation that goes into bringing a ministry forward is really quite extraordinary. So I want to just echo the nice words that were on offer from members of the committee.

The Ministry of Health has got thousands of very dedicated folks. I've been privileged to serve alongside them and to have this opportunity to thank them for all the work they've done. We have some here and some who are in a committee room down the hall. I know they always wish that they could get called forward to answer more of the questions, but the deputy and I enjoy the chance to engage with members of the committee and to thank you for all the questions that have been raised.

We've got lots of work to do to get back to members about specific questions that they've raised, and we'll be attentive to doing that just as quickly as we possibly can.

I just want to thank you, Mr. Chair, for having us before the committee. I hope that you'll consider supporting our ministry's estimates.

The Chair (Mr. Tim Hudak): I don't know if it's going to come to a vote by the Chair to break a tie here. I'm not so sure. We'll do the votes momentarily.

Again to you, Minister, Deputy Minister and all of the senior staff from the Ministry of Health and Long-Term Care, thank you for dedicating approximately 10 hours of your time to the committee. I do appreciate your good endeavours to get the responses back to members and appreciate the minister's and deputy's approach on being so open to the questions of the members of the committee.

We will now proceed to the actual votes for the estimates of the Ministry of Health and Long-Term Care.

Shall vote 1401 carry? Carried.

Shall vote 1402 carry? Carried.

Shall vote 1403 carry? Carried.

Again, unless we ask for a division, these are just verbal votes.

Shall vote 1405 carry? Carried.

Shall vote 1406 carry? Carried.

Shall vote 1411 carry? Carried.

Shall vote 1412 carry? Carried.

Shall the estimates of the Ministry of Health and Long-Term Care carry? Carried.

Shall I report the estimates of the Ministry of Health and Long-Term Care to the House? Carried.

That concludes our votes. I will report that to the House timely.

A couple of quick housekeeping items. Mr. Chudleigh recently wrote to the clerk asking for responses from the Ministry of Economic Development and Trade. The clerk did follow up with the ministry and the ministry is endeavouring to get the answers back to Mr. Chudleigh and committee in due course, and the clerk will respond to Mr. Chudleigh accordingly.

Similarly, we've had a signal from the Ministry of Aboriginal Affairs that their responses should be available hopefully within a week or two.

In consultation with the members as well, we will not be sitting for our regular meeting of estimates tomorrow. We thought that if we have the Ministry of Northern Development and Mines, which is our next group, it's best to just have it as a block for when we come back together in September, as opposed to dividing it up between June and September. So we will not meet for our regular meeting tomorrow.

Folks, thank you. This was an outstanding review of the estimates of health. I thought there was a very solid tone here at committee, a very intelligent series of questions. I thank you for that. Thank you to the clerk and the research official and Hansard.

Folks, we are now adjourned. Have a great summer.

The committee adjourned at 1700.

CONTENTS

Tuesday 17 June 2008

Ministry of Health and Long-Term Care..... E-201

Hon. George Smitherman, minister

Mr. Ron Sapsford, deputy minister

Mr. John McKinley, assistant deputy minister, health system information management and investment

Dr. Joshua Tepper, assistant deputy minister, health human resources strategy

Ms. Helen Stevenson, assistant deputy minister and executive officer,
Ontario public drug programs

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E-13

E-13

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 3 September 2008

Mercredi 3 septembre 2008

*The committee met at 0903 in room 151.*MINISTRY OF NORTHERN
DEVELOPMENT AND MINES

The Chair (Mr. Tim Hudak): Good morning, members of the committee, Minister, Deputy and support staff from the Ministry of Northern Development and Mines. Welcome back to the Standing Committee on Estimates for our specially scheduled meeting of Wednesday, September 3, 2008.

Before I begin our business with the Ministry of Northern Development and Mines, I wanted to make sure we have all-party support for an agreement with respect to the Ministry of Research and Innovation. We did have a request from the critics to end tomorrow's hearing for research and innovation at noon. That time would then be taken up when the Legislature resumes with its regularly scheduled meeting for Tuesday, September 23. I understand through Mr. Rinaldi that the minister—and this is a change in the minister's schedule, so we appreciate this—is unable to join us for the morning session, so we would not have the morning session on the 23rd; we would have the afternoon session to begin the Ministry of Research and Innovation estimates.

I want to make sure that we go through the agreement: that we would suspend tomorrow at noon for research and innovation and that we would resume the remaining hours on Tuesday, September 23, beginning in the afternoon, not the morning session, to accommodate the minister because we are changing the schedule for tomorrow.

Mr. Gilles Bisson: That will be fine. What's the last part?

The Chair (Mr. Tim Hudak): We're going to resume the Ministry of Research and Innovation on Tuesday, September 23. Because we had changed the schedule on the minister, we're going to do the afternoon session as opposed to the morning session on the 23rd, assuming the House does resume on the normal schedule. Obviously, if the House does not return on its normal schedule, then we don't have permission to meet in the intercession beyond today and tomorrow, so we would just be back on the first Tuesday that the House does resume sitting. I want to make sure that I have all members' agreement on this.

Mr. Gilles Bisson: That's fine.

The Chair (Mr. Tim Hudak): Terrific. The clerk will send out the appropriate notice to the minister, ministry and to the members of the committee.

We will proceed now with the Ministry of Northern Development and Mines. We're here for the consideration of the estimates of one of my favourite ministries, but frankly, some of the faces have changed. Some are the same; the minister is different. They're much more handsome than they used to be, I think.

Hon. Michael Gravelle: Thank you very much, Mr. Chair. It's great to be here. If I could ask you to give me about a two-minute warning when I'm near the end of my 30 minutes, I'd be grateful.

The Chair (Mr. Tim Hudak): You bet. I do have a brief preamble that I'll get through—just to finish my initial wisecracks. But I do have a serious preamble to get through.

It's a total of five hours, to make sure everybody is aware of that. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may at the end of your appearance verify the questions and issues being tracked by the research officer, the very capable Jerry Richmond, to my left.

Are there any questions on procedure before we start? We'll now call the vote on item 2201.

As members know the process, we would begin with a statement of not more than 30 minutes from the minister, followed by statements of up to 30 minutes by the official opposition, followed by the third party. Then the minister will have 30 minutes to reply and then we begin our rotation. Remaining time will be portioned equally among all three parties, beginning with the official opposition.

Minister, I will certainly give you a signal as you get close to the end of the 30 minutes, if you need it. Sir, the floor is yours.

Hon. Michael Gravelle: Thank you very much, Mr. Chair, members of the committee. It's great to be here. I'm certainly pleased to speak today to the 2008-09 estimates committee. I am joined to my left by Deputy Minister Kevin Costante; our CAO and ADM of the corporate management division, Don Ignacy, further to my left; also, assistant deputy ministers Cal McDonald,

who is with the northern development division, and Christine Kaszycki for the mines and minerals division; and other ministry staff.

The Chair (Mr. Tim Hudak): I was just noting that the assistant deputy minister has lost weight. He looks very good.

Interjections.

Hon. Michael Gravelle: He's right here beside me.

Interjection.

The Chair (Mr. Tim Hudak): Sorry; the ADM, Cal.

Hon. Michael Gravelle: Cal's in the back. They're all with me. Our goal is to try and be as helpful as possible to the committee members in terms of answering questions. So if I'm not able to, the ministry staff will be able to, and we'll try and be as helpful as possible.

As head of the ministry that presents the face of the Ontario government to the north, I have made it a point to take every opportunity to travel in the region since I was appointed minister. Since that appointment, I've talked with many residents, met with many community, aboriginal and business leaders across the north. In these conversations, northerners have been extremely clear about their hopes, their fears and their plans. They've been very clear about the ways in which the province and my ministry are coming through for their communities. They've been very clear as well about what further support they'd like to see from the province.

0910

My ministry understands that in this time of great change in the north's economy, northerners are looking for stability and growth. We understand that northerners cannot afford to ride the see-saw of economic highs and lows brought about by dependence totally on primary resource industries. We understand that all northern partners need to act together. We believe we need to combine the strengths of the north's resource base with the emerging opportunities of a knowledge-based economy.

We understand that at the heart of the issue is a heightened awareness of the need for balance. On the one hand, we need to protect the immense natural wealth and beauty of the north, which affords residents and visitors alike a unique and desirable way of life. On the other hand, we need to develop that natural wealth in ways that will keep making significant contributions to the province's economy, all the while providing northerners with stable growth and prosperity.

We are tackling this complex challenge from many directions. We are pursuing results over both the short and long term, in traditional as well as in emerging sectors. Yes, indeed, there are real issues of concern which we are committed to addressing, but there are also great stories to tell. It's my pleasure today, in the course of highlighting my ministry's accomplishments over the past few years, to both acknowledge the issues and to tell the north's stories.

I want to add that as a long-time northern MPP, I bring a strong personal commitment and a sense of urgency to the work of this, the government's only regional ministry.

As you know, the Ministry of Northern Development and Mines is charged with advocating for an entire, very large region, a region that covers more than 800,000 square kilometres or nearly 90% of the province's land area—a vast region, yet only about 6% of Ontario's residents live there. My ministry gives the region a very strong voice in government. We bring to Queen's Park a unique northern perspective on complex and wide-ranging issues. We also support and deliver the province's programs and policies in the north. We do so through two major activities. First of all, we strive to advance northern Ontario's economic development, and secondly we work to keep Ontario's mineral sector strong and sustainable.

On the northern economic development side, my ministry leads and coordinates government programs aimed at strengthening the northern economy, including the far north; building strong northern communities; and creating job opportunities in the north. Through a network of offices and strategic program and policy development, we ensure that northerners have access to government programs and services and a say in government decisions affecting the north. The ministry also plays a key role in fulfilling the government's commitments for strategic initiatives that could affect the north.

In the widest sense, we support northern economic and community development by promoting a business climate that encourages competitiveness and investment in northern Ontario. On the ground, this means we have 32 northern development offices and 33 Service Ontario locations, where northerners across the region can access programs and services. In addition to the programs and services of my ministry, we deliver numerous programs and services with and on behalf of partner ministries. Last year alone, these northern offices handled more than 125,000 transactions, an increase of over 50% from 2005. Service Ontario offers 100 services, including birth certificates, business registrations and fishing and hunting licences, to name but a few.

In keeping with our commitment to improve access to government services for First Nations, my ministry helped establish 53 Service Ontario First Nation library and band office service sites, including 11 in southern Ontario. We are co-located with Service Canada in three northern communities, we provide outreach services for the federal government in six other locations, and we are looking to expand our services further.

In addition to our dedicated Service Ontario staff, we have economic development staff in our 32 northern development offices. They specialize in all aspects of the north's economy, including mining, forest products, business and industry, biotechnology, manufacturing, telecommunications, agriculture, tourism, and trade and investment marketing. They work with municipalities, First Nations and businesses to attract investment, they go after business opportunities, and they diversify local economies and in that way build stronger northern communities.

May I say in passing, too, Mr. Chair, that throughout my travels in the north, the one thing that's become very

clear—and you would know this as a former minister—is that the northern development officers and the staff who work with them are incredibly highly regarded in the communities where they work. There is not a community I go to or a meeting I have with northern delegations where they do not make a point, without being asked, of praising the work and the community activities of the northern development officers. So it's an enormous pleasure, and I think they really do represent the north in a very positive way.

Let me now move on to the Northern Ontario Heritage Fund Corp. Certainly, this is our main economic development initiative and something we're very, very proud of. I'm certainly proud to say that 2008 marks the 20th year that the NOHFC has been encouraging job creation and strengthening the northern economy. The heritage fund provides critical financial assistance for business development, youth career training and entrepreneurship, capital and infrastructure investment, and job creation in northern Ontario communities.

When the McGuinty government took office, we were very clear that we intended to refocus the northern Ontario heritage fund. We wanted it to support job creation, which was in the original mandate, and economic development in the north, and I am pleased to say that we have delivered on that commitment. Since October 2003, the NOHFC has invested more than \$373 million in more than 1,870 projects. These investments are helping to create or sustain more than 10,370 jobs in northern Ontario.

Let me just give you one example, one that I think we need to talk about more, in terms of improving the north's ability to compete with others. The expansion of telecommunications infrastructure across northern Ontario is an amazing story that the NOHFC is helping to write. Thanks to the renewed focus that we gave the NOHFC's emerging technology program, my ministry is encouraging investment in telecommunications infrastructure projects. Since the launch of the revised program in January 2007, the heritage fund has approved \$30.4 million in support of 18 projects to enhance telecommunications infrastructure across the north. This is in addition to our government's investment of \$7.8 million from October 2003 to December 2006 under the NOHFC's previous technology program.

The long and the short of it, is it's a total investment of \$38 million. When completed, the most recent telecommunications infrastructure projects will provide almost continuous cellular coverage along major highways, from Parry Sound, north to Timmins, and from the Quebec border to Manitoba, including Red Lake. There's no question about the value of that. In addition, these projects will almost complete broadband coverage within these areas as well. They will extend coverage to hard-to-service locations such as the James Bay coast and more than 20 remote, far north communities. With access to reliable telecommunications infrastructure, almost 400 northern communities will benefit from the modern technology that other parts of the province have taken for

granted for years. If we accept the adage that knowledge equals power, clearly the NOHFC is helping empower northerners, thanks to expanded telecommunications infrastructure.

Possibilities are opening up for northerners, especially our young people, when it comes to health care, culture, business or education because of these investments. Clearly, the NOHFC plays a critical role in the north. That's why in the 2008 budget, we announced plans to increase the heritage fund allocation by \$10 million a year for the next four years, which will bring the fund's annual allocation to \$100 million by 2011-12. We're very proud of that and very excited. Certainly, I'm proud to say that our government is the first to provide this unprecedented level of support to northern Ontario through the northern Ontario heritage fund.

My ministry also devotes a great deal of effort to programs and policies that advance the strategic development of northern Ontario's economy. I want to highlight some of these, beginning with the report by the northwestern Ontario economic facilitator, Dr. Robert Rosehart. As I think many of the members know, Dr. Rosehart undertook extensive discussions. He spoke with First Nations chiefs, community leaders, groups and individuals across the northwest. Quite frankly, he met with everyone who wanted to meet with him, and many more.

Dr. Rosehart considered both the short term, the next two to five years, and the region's long-term transition toward new economic opportunities in his report. That report and the recommendations, which I was pleased to accept in March, suggest ways to help stabilize the current economy and build capacity for the new economy. While his recommendations specifically address the northwest's economic situation, Dr. Rosehart makes the point that some of the report's recommendations could equally be applied to all of northern Ontario.

0920

The fact is that several items in the 2008 budget have begun to address some of the issues raised by Dr. Rosehart in his report. For example, the 2008 budget commits to accelerating rate cuts to the business education tax for northern businesses. This means that these tax rates will be reduced more quickly in 85 northern municipalities, benefiting more than 30,000 businesses and resulting in savings of more than \$70 million over the next three years.

Other highlights from our 2008-09 activities include:

—\$20 million in very important money for four years for geological mapping to help Ontario's mineral exploration sector pinpoint areas of economic interest;

—\$25 million to help start up a centre for research and innovation in Thunder Bay focused on the bio-economy; and

—\$546 million to the northern highways program this fiscal year, another record amount that represents a 17% increase over last year's record levels.

Extensive follow-up with the appropriate partner ministries is well under way to address the rest of Dr. Rose-

hart's recommendations. I look forward to reporting on that soon.

Also, Dr. Rosehart's report is being carefully considered as part of a major government initiative that will have a profound effect on northern Ontario's economy. I'm speaking, of course, of our work to develop a growth plan for northern Ontario under the Places to Grow legislation. The purpose of the northern Ontario growth plan is to strategically align provincial policies and investments to support sustainable economic and population growth. It is a plan that will identify short-, medium- and long-term policies and actions over a period of 25 to 30 years. I've been working with my co-lead, the Minister of Energy and Infrastructure, and my cabinets, who sit on the G-North ministers' table, which I chair, to move forward on this initiative.

Over the next year, northern Ontario residents, youth, aboriginal peoples, community leaders, business and industry leaders and other experts will have a range of opportunities to help develop a draft growth plan for northern Ontario. We began this spring with regional sessions and have already held 13 of those across northern Ontario. About 400 participants from northern communities, First Nations, business, research networks and the education and health sectors took part. We are inviting their thoughts on priority issues for the plan.

In an effort to ensure broad participation and accessibility by northerners, the sessions have been held in the north's major cities as well as in many smaller communities such as Dryden, Marathon, Wawa and New Liskeard. We've also had good response to the growth plan discussion paper posted on the government's website. This paper gives northerners the opportunity to read about the potential key themes for the plan and to send in their comments and opinions online or by mail.

Other opportunities for northerners to participate will include a series of policy forums that will explore successful approaches to sustainable growth, and we will be looking at solutions from other jurisdictions in Canada and around the world.

Finally, we plan to release a draft growth plan early this winter for public comment.

At the first regional information session in Thunder Bay, which I was able to attend, I was extremely impressed not just by the manner in which participants articulated their ideas for tackling the region's economic problem, which they did very well, but by their optimism and, quite frankly, their determination. Certainly, I am eager to continue this work as the growth plan is developed.

When we talk about to listening to, consulting with and serving northerners better, another government initiative aimed at supporting the strategic development of the north's economy immediately comes to mind. For the past three years, northerners have had a direct link to my ministry through the northern development councils, or the NDCs, as they are more commonly referred to. The councils have brought together northerners from our major cities, towns, First Nations and rural communities

to provide input on provincial policies and programs. The chairs of the councils report to me regularly about matters of concern in their regions. I am very proud of this committed group of northerners.

The NDCs have led two important dialogues with northerners. The first was about creating new opportunities for young people in the north. The second focused on strategies that will encourage the growth of business in northern Ontario. I am pleased to say that, again, hundreds of northerners took part in these sessions, either in person or by filling out an online or paper survey.

The northern development councils have been a great help to my ministry and other initiatives, including, as I mentioned, the growth plan for northern Ontario, Ontario's mineral development strategy, the Go North investor program and the northern Ontario grow bonds pilot program.

The last of these, the northern Ontario grow bonds pilot program, was introduced in early 2005. Based on a proposal submitted to the government by the North-western Ontario Associated Chambers of Commerce, the pilot program was designed to help new and expanding businesses in northern communities. The pilot program's first component was the sale of grow bonds to residents in northern Ontario. During the sales period in the spring of 2005, northerners supported the sale of grow bonds to the tune of approximately \$13 million.

The second component is the northern Ontario grow bonds business loan program. This loan program uses the funds raised through the sale of grow bonds to provide loans to small and medium-sized businesses in northern Ontario. To date, nine loans have been finalized and disbursed, for a grow bonds total investment of \$5.7 million. The board of directors is currently negotiating additional loans, and we will announce these once the agreements are finalized.

As for the pilot program's future, my ministry has done a preliminary review in consultation with the north-western Ontario chambers of commerce, the northeastern Ontario chambers, the grow bonds board of directors, northern development councils, the NOHFC and the small business enterprise centres. A final review of the program is presently under way.

To deliver another key economic initiative, the GO North investor program, my ministry partners with the Ministry of Economic Development and Trade. GO North is promoting the competitive advantage of northern Ontario to investors all around the world. It is helping to attract new investments and create jobs. To date, approximately \$7 million has been invested in international outreach, including advertising and promotional materials, trade missions and public relations activities to increase awareness of northern Ontario.

One very important component of the GO North program is the northern communities investment readiness program. Through this initiative, our government has approved over 100 projects with a dollar value of close to \$1 million. This initiative helps communities identify investment opportunities and ensure that they are prepared

to respond to international investors. Since 2004 when the GO North investor program was announced, there have been 57 investments and expansions in northern Ontario totalling \$3.4 billion, and we think this is incredibly significant. The work that we are carrying out as part of GO North has certainly helped create the conditions to attract these investments and expansions.

My ministry also coordinates essential provincial investment in the north's transportation, telecommunications and public infrastructure. We do so through the Owen Sound Transportation Company and the Ontario Northland Transportation Commission, the ONTC. Last summer, the Owen Sound Transportation Company ensured Georgian Bay ferry service for another 25 years by carrying on a retrofit of the Chi-Cheemaun's engines. The three-year project was completed on time and on budget with the help of a \$9.7-million investment from our government. The great thing is that the refurbished engines will also cut emissions and fuel costs.

With regard to the ONTC, its mandate is to deliver transportation and communication services in the north-east region effectively and efficiently, with the objective of improved cost recovery and self-sustainability. The past four years have seen a number of success stories for the ONTC. Much has been achieved as a result of the efforts of the commission, its employees and the province. One key highlight was winning an \$81-million contract to refurbish 121 GO Transit commuter railcars.

Through the 2008-09 result-based planning process, my ministry has received approval allowing ONTC to proceed with the design and construction of a new ferry to service the communities of Moosonee and Moose Factory. This project is now under way, and we hope to have a new vessel in the water in 2010.

Certainly, along with the progress, there have been challenges. As a result of the downturn in its freight transportation business, certainly associated with the weakness in the forestry sector, the ONTC has recently had to make some difficult decisions to reduce some positions across its operation. Our government continues to support the ONTC in its drive to serve its clients in a cost-effective and financially responsible manner.

I think I'm going to move ahead because I—how much time's left, Chair?

The Chair (Mr. Tim Hudak): Eight minutes.

Hon. Michael Gravelle: I think I want to talk about the review of the Mining Act, if I may, and I'll return to some of these in my next opportunity.

Earlier this summer, Premier Dalton McGuinty launched the far north planning initiative, which included the commitment to protect more than 225,000 square kilometres and more than half of the northern boreal forest in an interconnected network of conservation lands. The area will be permanently protected through the far north planning process, and activity on these lands will be restricted to tourism and traditional aboriginal uses. Later this year, our government will engage with First Nation and Metis communities, northerners, the resource sector and scientists to create a broad frame-

work for the plan, which will be completed by the spring of 2009. At the same time, we will work with individual aboriginal communities to begin a local land-use planning process. To ensure proper planning and community input, new forestry and the opening of new mines in the far north will require community land-use plans supported by local aboriginal communities. We envision the entire process taking 10 to 15 years to complete.

0930

It is our hope that this planning process for the far north will enshrine a new respect and working relationship with First Nations. In addition to a much greater say on the future of their communities and traditional lands, the process also creates opportunities for economic development in these remote communities. Planning at the community level will truly be a partnership. Because any decision on development has the greatest effect on communities, local planning will only be done in agreement with First Nations. Our government will also create a new system of resource benefit sharing, and we will consult with aboriginal communities immediately on ways to provide greater economic benefit from resource development.

On August 11, shortly after the Premier's announcement, my ministry launched formal consultations to modernize Ontario's Mining Act. Our aim is to ensure that mining potential across the province is developed in a sustainable way that continues to benefit the province and respects communities. The fact is, our mineral sector is a powerhouse that employs tens of thousands of people and pumps millions and millions into the economy. Our government understands this and we're proud to stand shoulder to shoulder with the world's leading mining jurisdiction.

We also believe that mining holds tremendous potential, especially for the province's northern, rural and aboriginal communities. We want the industry to be competitive, vibrant and prosperous, but we also want to ensure that this prosperity is developed in a way that respects community. In short, our task is to find a balance. In announcing Ontario's far north planning initiative, the Premier spoke of finding the balance between conservation and development. He said we would modernize the way mining companies stake and explore their claims to be more respectful of private landowners and aboriginal communities and that exploration and mine development should only take place following early consultation and accommodation with aboriginal communities, and I think few would disagree with those goals. In fact, many exploration and mining companies have already adopted best practices in corporate social responsibility that are reflected in the many beneficial agreements with local communities that are in place today. By modernizing the Mining Act, we can build on those efforts.

My ministry is currently in the midst of province-wide consultations involving the public, the mining industry, municipalities, environmental groups and other stakeholders. We are also seeking input from each First Nation

and Metis community through community members, their leadership and political and territorial organizations. Our plan is to have all of the discussions completed and feedback gathered before the end of October so that we can introduce legislation in the upcoming session. If passed, we believe that new rules could be in place for next year.

It's an ambitious schedule but we are focusing our consultations on five critical policy areas: the mineral tenure system and the security of investment; aboriginal rights and interests related to mining development; regulatory processes for explorations on crown land; land-use planning in Ontario's far north; and finally, potential approaches to address mineral rights and surface rights issues. By focusing on these areas, I believe we can ensure Ontario's mining industry remains strong, that mining practices are up to date, that aboriginal rights and interests are given appropriate consideration and, ultimately, at the end of the day, we can ensure the balance that we are striving to achieve.

How much time do I have?

The Chair (Mr. Tim Hudak): Thank you, Minister. You actually have just over four minutes remaining.

Hon. Michael Gavelle: That's good. I'm going to go back to some other good things.

Just as our investments in other areas provide vital services for northerners and visitors alike, so do this government's investments in northern roads and highways. In northern Ontario, where vast distances separate communities and key market areas, highways, roads and railways are truly economic and social lifelines. I'd ask you to consider the north's highway system. At nearly 11,000 kilometres long, it makes up roughly 60% of the province's entire highway network. As part of ReNew Ontario, our government made the first-ever five-year commitment to northern highways through the \$1.8-billion northern Ontario highway strategy, released in 2005. As a result of record investments through my ministry's northern highways program, here's a summary of highway accomplishments from 2005 to 2007: 38 kilometres of new four- or two-lane highways opened, with 23 new bridges and interchanges; and almost 900 kilometres of highways rehabilitated, and 69 bridges rehabilitated or replaced.

In addition, our government's commitment to complete the four-laning of Highways 11 and 69 is well established, and the work is on schedule.

We're moving forward on route-planning studies in the northwest between Kakabeka Falls and Shabakwa and between Kenora and the Manitoba border as we move forward on potential four-laning in those areas.

I believe I mentioned earlier that our government will invest \$546 million in the 2008-09 northern highways program—a record amount, once again.

In the far north, seasonal roads connect 31 remote communities to the province's permanent highway and rail systems and are vital for communities that are accessible only by air or water. Our government has invested a total of \$18 million from 2004-05 to 2008-09 in

the winter roads program, which helps First Nations communities or winter road corporations build some 3,000 kilometres of winter roads over frozen grounds and waterways. In 2008-09, we will be increasing our investment from \$3.5 million to \$4 million.

Despite the significant progress achieved or under way, we firmly maintain that work on Ontario's northern highways and winter roads must include funding support from the federal government.

Moving on to local roads boards: This year, our ministry is investing almost \$12 million in the maintenance and upgrading of roads in unincorporated areas across the north. Our government has made a commitment to restore the funding for local roads boards that was reduced by the previous government, and we will honour that commitment during this mandate.

There are many other things I want to speak about, but I think I'll just close with my comments about my ministry's staff, if I may. From my point of view, I have 500 good reasons to be optimistic about my ministry's performance in achieving all the goals that I've just outlined; that's the number of ministry staff who are dedicated to and passionate about the province's mineral sector in northern Ontario.

I said at the beginning of my remarks that the Ministry of Northern Development and Mines is the face of the provincial government in the north. More accurately, as I said earlier, it is the staff members, the vast majority of whom live in the north, who so capably represent our government with their knowledge, experience and passion. Ministry staff apply the principles of quality service not only when working with the public, who in the north's small communities are their friends and neighbours, but within our organization as well.

For example, in 2006, our ministry ranked number one in the OPS-wide engagement survey. Last spring, the National Quality Institute certified the ministry, under the institute's progressive excellence program, as a level 3 organization. In October of last year, my ministry received the institute's silver Canada award for excellence. The ministry is working to achieve the next and the highest level.

I am proud that although we are small in size compared to other ministries, Northern Development and Mines touches the lives of northerners in some way all the time. It is clear to me that ministry staff members recognize this connection as a privilege and a responsibility. I assure them, as I do all northerners, that we will continue to strive to serve the north in a way that respects our natural and human wealth and enables the region and the province's mineral sectors to continue to prosper.

The Chair (Mr. Tim Hudak): Perfect. You're seven seconds over. We'll hold that against you. Very well done, Minister; nice conclusion as well.

Now we'll proceed to our opposition critics. It think that folks remember the process. Mr. Miller will have 30 minutes on behalf of the official opposition. Monsieur Bisson will also have 30 minutes on behalf of the third party before going back to the minister for a summation. Mr. Miller, the floor is yours.

Mr. Norm Miller: Just to use my 30 minutes, I'll go right into questions versus making any big, long statements. I believe that is the normal case.

The Chair (Mr. Tim Hudak): It's the critics' call. They tend to do questions, as you are, Mr. Miller.

Mr. Norm Miller: Minister, thank you for that initial statement.

I was in Thunder Bay last week. I think it's pretty common knowledge that northern Ontario is in a rough state. In Thunder Bay last week, they were talking about 3,600 jobs that have been lost in recent years. I was up there a couple of years ago and had the opportunity to tour active sawmills like the Buchanan—I toured a couple of the Buchanan sawmills. They're all closed now. In fact, the only mill that Buchanan is operating is in Mississippi. So that's really a shocking state of affairs, not only in Thunder Bay but all across northern Ontario.

0940

You're working on your northern Ontario growth plan. I would suggest that you've been in government for five years and it's a time for action, not necessarily a time for just more planning.

You have Dr. Rosehart's report; he has 47 recommendations. I guess my first question would be: Has your ministry developed a response to Dr. Rosehart's report, and do you plan on adopting his recommendations?

Hon. Michael Gravelle: Thank you very much for the question. Certainly, there's no question that there are many challenges in northern Ontario, but as I said in my opening remarks, I also believe there are many opportunities. Being a resident of Thunder Bay, I'm also conscious of the challenges there, but there are some pretty good stories to tell as well.

In relation to the situation regarding the sawmills, I certainly speak to the companies on a regular basis, and their goal is to get back in operation, and they're going to do what they can to do that.

There are some pretty good stories to tell in terms of Buchanan Forest Products, particularly when one looks at the operation in Terrace Bay. This is a mill that was, under Neenah Paper, closed down. All hope, I think, was pretty close to being lost. With the help and support of the government, Buchanan Forest Products opened up a new facility there which is doing extremely well. We were very proud to support that in every way we could.

There are other operations where we're doing the same thing. Through the forest sector prosperity program, significant dollars have gone to a number of organizations, as well as through the energy rebate program.

Specifically dealing with Dr. Rosehart's report, I was very pleased to receive his report in March. He spent a lot of time and a lot of work meeting and talking with northerners. We are working very closely with other ministries that his recommendations impact on, and we're looking forward to getting responses from each of them.

I am very pleased that in the 2008 budget, the business education tax reduction was accelerated. That was a

recommendation of Dr. Rosehart's. He was also very strongly pushing us in terms of a research institute in northwestern Ontario. That was also responded to in the budget, with the \$25 million for the research institute in Thunder Bay.

There were many other recommendations that Dr. Rosehart was working on that we are also working on. I had an opportunity to have discussions with Dr. Rosehart fairly recently, and I am keen to continue to report back to northerners on the progress we're making. So our goal is to respond to the recommendations. Dr. Rosehart, of course, would be the first person to tell you that a number of his recommendations are very much long-term, and he thinks that we need to recognize that some of these changes need to take place.

We're grateful for everything that Dr. Rosehart brought forward, and, as I say, our goal—my goal, as minister—is to provide an update on the recommendations that we are able to move forward on now, as soon as possible, and quite frankly to also be honest about those recommendations that are more difficult to move on. The fact is, we've responded to his report with action that I think has had a positive impact on the northwest. We are looking also at the recommendations that can impact all across the north as well. Dr. Rosehart, I think, showed real sensitivity in trying to respond to those as well.

We've had some positive responses; there's more to come. We're working with our partner ministries—many, many ministries. Dr. Rosehart, may I say, before he released his report, also met with a number of ministers—I think seven or eight different ministers—to discuss his recommendations. I've been in touch with those ministers, and our ministry right now is working with those partner ministries to come up with an update of where we're at. As I say, I hope to have an update report very soon.

Mr. Norm Miller: Specifically, I'd like to go through some of his recommendations, if I might, starting with recommendation 5.4.1, location of new government jobs: "It is recommended that Management Board review current literature and devise a strategy, based on a blend of strategic and locational factors including economic cost to government and potential economic benefit for recipient communities, for the physical location of new civil service positions in the province."

That sounds to me like a logical thing to be considering, moving more government jobs to the north, where they would be closest to serving their communities. How do you feel about that recommendation?

Hon. Michael Gravelle: We are always keen to help create and move jobs to the north. We certainly are very proud of the northern Ontario heritage fund, in terms of the creation of jobs in the north. Over the last five years of our government, we have created or sustained over 10,000 jobs in northern Ontario as a result of the investments through the northern Ontario heritage fund. In terms of Dr. Rosehart's recommendations, we are obviously looking at each one of them seriously, and that

includes that particular recommendation. We can certainly go through them all if you like; I'd be happy to do that. Until we're in a position to make an announcement about it, it's difficult for me to go further than that.

Mr. Norm Miller: I think that that was actually fairly similar to a component of the PC Party's last election campaign, but I do believe that Dr. Rosehart has made some recommendations worth considering.

Going to number 9, the all-weather road study: It does seem to me that all-weather roads could be vital to developing the far north, for example. Last week, I visited a couple of remote First Nations north of Thunder Bay, including Webequie. I met with the chief and council there. They were kind of 50-50 on whether they wanted a permanent road into the community. I think they recognized that it could bring some spinoff economic benefits, but they're also concerned about the change that would go along with it. Are you considering all-weather roads for remote First Nations?

Hon. Michael Gravelle: There's no question that we are very strongly in support of the winter roads development that we help fund now. We believe, as I said in my remarks, that we think the federal government needs to come to the table more significantly, and we'd like to see them do so. We know that the discussion about the all-weather roads is one that Dr. Rosehart put into his long-term planning recommendations. Indeed, I think we agree that it will probably take some time to get there, but the discussions are important.

You may know this already, but I can tell you that a number of First Nations are getting together and talking about developing their own sort of transportation committee to further discuss the possibilities of all-weather roads. You're quite right: Some First Nations are more keen on moving forward on this than others, and that's a fair game, because it's obviously got to be a decision that's reached by each community.

As I say, there are efforts to pull together. I think the heritage fund even funded a little study not that long ago in terms of how this could move forward.

In terms of Dr. Rosehart's recommendations, it's one, again, that we take very seriously, and we are going to be looking at that more in the long term. I believe the northern growth plan is the vehicle by which we should be further discussing this—and I think we already have. As you know, with the northern growth plan, we had 13 regional sessions, and out of that is going to be coming a discussion paper. I think it's fair to say that the discussion about winter roads may be part of that discussion. The northern growth plan, which is truly our opportunity to look at 25 or 30 years—an economic planning vision for the north, this being the second growth plan for the province. I then believe that will be something that we can look at more closely. We're going to be having policy sessions on the growth plan coming up in the fall. We're going to have a final draft report, we hope, by early in the winter. So I think that makes sense. Actually, I've had discussions with Dr. Rosehart quite specifically about this recommendation, and he agrees that in order to

move the discussion forward on how we get there, it should be part of the northern growth plan discussion.

Mr. Norm Miller: His recommendation number 11, four-laning of the Trans-Canada Highway: I know that in past years when I visited a number of different groups, again, in the Thunder Bay area, whether it was the chamber of commerce or the cancer centre, I thought there was a conspiracy going on because for everyone the first issue was four-laning of the highway, particularly from Nipigon to Shabagua Corners, where they cited numbers like 100 closures in the year, safety factors and the fact that Highway 17 and 11 join for that stretch of highway and there's just no way around it. So it's obviously a top concern in that area, and it's also a recommendation made by Dr. Rosehart.

It seems to me that it's a bit of a no-brainer. I hear it's a huge project, but it seems to me that four-laning the Trans-Canada right across the whole province, including all of northern Ontario, makes sense. Is that something that your government, your ministry, is considering?

0950

Hon. Michael Gravelle: As I think you probably know, I'm the MPP for Thunder Bay—Superior North. I've been speaking about the need to improve our highway infrastructure in the northwest from the moment I got elected, including the need to move forward on four-laning. I think if you speak to people in north-western Ontario, what is very clear is that the section between Nipigon and Shabagua right through Thunder Bay in terms of four-laning is the one that makes the most sense. It's also the one that is the most important because there is no alternate route. That's the one real justification.

Mr. Norm Miller: Are there any plans to four-lane that section?

Hon. Michael Gravelle: I'm glad you're giving me the opportunity to talk about it. I'm pleased to do so. We have been moving forward on very extensive rehabilitation of that section between Thunder Bay and Nipigon, and the design is in place pretty much between Thunder Bay and Nipigon. But specifically, we've got a section right now between Hodder Avenue and Highway 527, where the Terry Fox lookout is, a six-kilometre stretch. We're at the final design stage, which is part of the four-laning. We're very close to being at the last stage to moving forward, particularly on that section. There's also a section between Mackenzie and Birch Beach—again, people in the northwest will understand the precise area that's in—that's also moving into the last stage before we are able to move forward with the four-laning. The design is in place.

We're also opening up route-planning studies for the final phase for the future four-laning between Kakabeka Falls and Shabagua, which completes the route-planning studies needed for future four-laning between Nipigon and Shabagua. As well, I was able to announce, when we made the northern highways announcement for this year in July, that we've also been doing route-planning studies between Kenora and the Manitoba border, another area,

for some time. So we are certainly moving forward in terms of our planning for the highways in northwestern Ontario.

The significant thing that needs to be said—and it's important for me to say it as minister, particularly being from northwestern Ontario—is that we are very proud of the fact that the expansion and the four-laning projects that are going on between Parry Sound, Sudbury and Highway 11 up to North Bay are moving forward on schedule. There is no argument there about the need for those to move forward.

I am confident that we will be continuing to move forward on the expansion plans for northwestern Ontario as well. It's something that I feel very strongly about. I'm pleased that we were able to announce these significant advances in terms of the route-planning studies and that various sections of the highway between Thunder Bay and Nipigon are in the final stages before we are able to move to four-laning.

Mr. Norm Miller: What about the section between North Bay and Sudbury, which, just from driving along, seems to have quite heavy traffic?

Hon. Michael Gravelle: I'm not sure that I can speak confidently about that. I'll ask Tom Marcolini.

The Chair (Mr. Tim Hudak): If Mr. Marcolini could identify himself for the sake of Hansard.

Mr. Tom Marcolini: Tom Marcolini, Ministry of Northern Development and Mines in Sault Ste. Marie, manager of programs and transportation.

Hon. Michael Gravelle: So, North Bay to Sudbury.

Mr. Tom Marcolini: North Bay to Sudbury: At this point in time, I think the Ministry of Transportation is keeping an eye on the traffic volumes, specifically the area immediately east of Sudbury, but there are no plans on our books right now to actually commit to any kind of four-laning there. I think they're just looking at traffic volumes and operational and safety issues.

Mr. Norm Miller: So you don't have an idea of the traffic volumes. It seems to me, just from driving it, that it is one of the higher-volume areas.

Mr. Tom Marcolini: Yes, I think those of us who drive that section of the highway realize that the traffic volumes are getting up there, as they are on other sections of the northern highways.

Mr. Norm Miller: Specifically, in terms of four-laning the whole province, it's a huge job. It's not one that I think the province can afford to fund itself. Are you talking to the federal government about involving them in four-laning right across the province? It seems to me that as a province, we're probably losing a lot of business to the northern states, which has a way better highway system than we do. So, long range, it seems logical to me that at least the Trans-Canada Highway should have a four-lane highway across the province.

Hon. Michael Gravelle: There's absolutely no question—I said it publicly long before I was minister, and I'll say it now that I am minister—that in terms of us being able to realistically move forward within a reasonable time frame to four-laning, particularly, as you say, in

terms of the Thunder Bay and Shabagua one, we need significant support from the federal government. Of course, we had the Building Canada strategy announced back on July 24, and I was part of that announcement, when the federal government made it clear that one of their priorities was northwestern Ontario highways, although there were no specifics on that. We've had a number of partnership agreements where there has been shared funding. For example, the Shabagua expressway extension in Thunder Bay, a \$35-million project, was shared between the federal government and the provincial government. But you, quite frankly, give me an opportunity that I embrace, which is to make it clear that we need to have that kind of support from the federal government.

Certainly, I've been told, and Tom can correct me, that essentially, in terms of the—I'm proud of the fact that we're moving forward ultimately in the direction for four-laning between Thunder Bay and Shabagua, and we're committed to moving forward on that in the future. I think it's about a \$650-million project—somewhere in that range, overall, if you look at the cost, and of course, construction costs are going up 11% every year. I think it's difficult to imagine doing that without the help of the federal government.

But I also want to address—

Mr. Norm Miller: I'm sorry—have you been talking to the federal government?

Hon. Michael Gravelle: I talk to them all the time. Certainly, I talk to my colleague from Thunder Bay, and, of course, Minister Smitherman, as Minister of Energy and Infrastructure, has just signed the agreement for the Building Canada strategy and fund. Those discussions are ongoing in terms of those specifics. The Ministry of Transportation obviously has those discussions as well, so we will continue to have those discussions.

I think I want to actually, if I may, Mr. Miller, just make the point that in northwestern Ontario, I think you would get agreement from most people that four-laning all across the stretch of 17, let alone 11, is not something that they particularly think we need or want. More passing lanes are clearly desired, and we're moving in that direction. The improvements along 11-17 between Thunder Bay and Nipigon over the last four years—\$46 million, I think, we put into projects one year after the other. Aside from the occasional complaint you get from people about construction delays, the fact is that we've had a really improved highway system, and people appreciate that.

When you talk to people along the north shore between Nipigon up to Marathon, they're looking for more passing lanes, and we've been able to deliver on a number of those. They're looking for an improved design sometime, so I'm not so sure that the people of the northwest all believe that there should be four-laning all across the north. But there are clear sections—you are familiar with the northwest. We hear great concerns about the Vermilion Bay area, between Dryden and Kenora. There have been substantial improvements

made, but there are still concerns about that particular area. That's why we are very pleased about the special funds that are put in place for the safety initiatives on the highway.

This is something that is a real priority, certainly, for our ministry to continue working on, and we're proud of the investments that have been made. We look forward to making more, recognizing, again, that one of the challenges is—we had a 17% increase in our northern highways budget to \$546 million, which is great. But construction costs went up 11% last year, I believe, Mr. Marcolini. I'm glad that it went up 17%, but those costs are difficult to control or to manage. Our goal is to continue to move forward on investments in our northern highways. I certainly am proud of the fact that our government continues to put record amounts into that. We know that there's lots more that needs to be done, and we also know it's very expensive, but in terms of the four-laning, we're going to keep moving forward in the direction that we are.

Mr. Norm Miller: Moving on to Dr. Rosehart's recommendation 8.1.1: a forest industry secretariat. Certainly, the forest industry has been devastated across the province, and I hope your optimism for Buchanan's Neenah paper mill is warranted, because the word on the street was concern about even that operation when I was in Thunder Bay last week. His recommendation is for a forestry industry secretariat that I gather would look at some of the challenges facing the forestry sector and make it easier. Just yesterday, I spoke to someone in the industry in my own area who is working in the forest, and he was so obviously frustrated with the red tape and regulations that are smothering the operations in the bush in this province that I would say there's obviously a great need to make it easier for these people in small businesses operating across northern Ontario to earn a living. So this seems to me to be a reasonable recommendation of an advocate for the forestry industry. What are your feelings on this recommendation?

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Hon. Michael Gravelle: Again, we're speaking to the Ministry of Natural Resources about that and the minister specifically. May I say that I do think that Minister Cansfield is a remarkable advocate for the forestry sector and has been incredibly supportive of a number of measures. She certainly has developed a very close relationship with the industry in particular, meets with all of them on a regular basis, travels, probably spends more time in the north than anywhere else as a result of her responsibilities. Certainly, that is one of the recommendations that we are talking to the minister about. It is one that specifically impacts the Ministry of Natural Resources, so we need to work with them.

As I say, my commitment is that we will have an update on Dr. Rosehart's plan—we think that's very important; it means a great deal to all of us—as soon as we can. I can't tell you at this time whether or not that will be part of the update, but it's one that we're discussing with the ministry.

Mr. Norm Miller: Under the tourism section, recommendation 10.0.2, crown land for adventure tourism: Is that another one you're working on?

Hon. Michael Gravelle: Yes. Again, we're in discussions with all the ministries that are impacted by Dr. Rosehart's recommendations, and certainly that is one of the recommendations that we're also discussing. Again, I can't sit here and tell you that that will necessarily be one that we will be reporting on, but we're going to be providing an update that we think is significant in terms of the recommendations Dr. Rosehart has made.

Mr. Norm Miller: When is that update going to be happening?

Hon. Michael Gravelle: Soon. I want to make sure that I give all the ministries an opportunity to get back to us, and some have. We want to do this as one piece, if we can. Quite frankly, sometime in October is when I plan to do so, but I want to make sure that we have reports back from all the ministries and all the ministers, so I want to give them an opportunity to do that. I think Dr. Rosehart is happy with that time frame.

Mr. Norm Miller: His recommendation number 12.0.2 is that "every consideration be given to the establishment of an appropriately-sized abattoir in the Rainy River district." I know, even from meeting with farmers in Parry Sound-Muskoka who are concerned about losing the existing abattoirs in our area, how important that is to farming, to have an abattoir that's within a reasonable distance. This seems, again, to be a reasonable recommendation.

Hon. Michael Gravelle: I am pleased to tell you that we have made an announcement. I'll make sure I get a copy of the press release to you, if I may. We've provided \$500,000 for an abattoir in Rainy River. I made that announcement—I'm not exactly sure when it was—

Mr. Kevin Costante: We don't have a date here.

Hon. Michael Gravelle: Yes, we don't have the date. But we announced that we have provided \$500,000, through the heritage fund, for an abattoir in Rainy River. I think it was very well received. Again, we're grateful to Dr. Rosehart for his recommendation, and obviously I'm grateful to the heritage fund for supporting that. If we can get a copy of our release to Mr. Miller, that would be great.

There are a number of things that we do that tie into Dr. Rosehart's recommendations. My preference is to try to pull it all together in a report rather than in a piecemeal fashion, although this was one particular announcement that I was very pleased to make, and it was an issue that I was familiar with long before Dr. Rosehart spoke. So I certainly understand how important it is, and we are very pleased to provide that funding support.

Mr. Norm Miller: As I say, having just returned last week from touring Fort Severn and Webequie and meeting with the chiefs of those communities, his recommendation, First Nation economic development capacity, is certainly something that came up in the discussions with the—

Hon. Michael Gravelle: Sorry, what's that again?

Mr. Norm Miller: His recommendation number 13.0.1, First Nation economic development capacity, is certainly something that came up in those discussions. It seems to me, with the First Nation communities, you ask questions about who does what, and it always get lost between various jurisdictions, and what tends to happen is nothing at all. At Fort Severn, the primary school has been closed for five years now. I think it's shameful, really, that this school, which on the outside doesn't look too bad but has mould, has been closed five years. Kids in Fort Severn don't have a gym, don't have a playground. A sandy lot is basically all they have, period—unless they head out onto the water or the muskeg for entertainment—and one slightly broken-down-looking hockey rink, which relies on natural ice. So are you going to be looking at this recommendation?

Hon. Michael Gravelle: Certainly I am. I've done a fair amount of travel, as you would expect me to as minister in terms of far north communities as well. I did some significant travel in the wintertime, and went up to Pikangikum, Bearskin Lake First Nation and, I think, Muskrat Dam and a few other communities. This summer, I did another tour as well; I was in Webequie and Kasabonika Lake and some other communities as well. And I had an opportunity to meet with the Matawa tribal council, which was meeting up in Fort Hope, so I was pleased to meet with them.

The issue of capacity-building is one that we're very conscious of. We are pleased to be able to provide assistance to all communities, particularly First Nations communities, through the northern Ontario heritage fund—up to \$50,000, particularly for discussions they may be having with the mining sector. Certainly the issue of capacity-building is one that Dr. Rosehart identified. It's one that we recognize as well, and we're working on it all the time. There's no question that is a significant issue on which we will continue to work closely with our First Nation communities in partnership, and also obviously in response to Dr. Rosehart's recommendation.

Mr. Norm Miller: One that I may not have time to fully engage you on before my next slot is the buy-Ontario recommendation. In Thunder Bay last week, with the contract maybe being awarded to the TTC, one of the biggest contracts going for light rail rapid transit, this is a recommendation that I'm sure that they would appreciate:

"It is recommended that government procurement policies be pursued in the mass transit sector that support indigenous value-added content preferences and policies that are modelled after those of Ontario's major competitors."

It seems like most other jurisdictions have requirements to buy in their own jurisdiction. Certainly, if you tour Bombardier, as I did last week and have done in the past—I was there and saw that they're building streetcars or a similar type of device for Korea. There are 30 of them painted up in the colours and paint schemes for Korean rapid transit, so obviously they can compete anywhere in the world. But it seems to me that looking

favourably on our own province and spending taxpayers' dollars within our own province, we should be doing everything we can, and you as Minister of Northern Development and Mines should be doing everything you can to advocate for that contract being secured by Bombardier. What are you doing in that respect?

The Chair (Mr. Tim Hudak): You're down to the last question, Minister, so a brief answer, if you could.

Hon. Michael Gravelle: How much time do I have?

Mr. Norm Miller: I may come back to that one afterwards.

Hon. Michael Gravelle: Certainly we know that Bombardier is state-of-the-art. You're absolutely right: They're at the front of the line in terms of research and capabilities. We were very excited about the fact that they were able to get the \$700-million sole-source contract. I will look forward to discussing this in your second round.

We think it's very significant that the 25% content rule was put in place by the province of Ontario, and we think that was a significant help in the situation. Unfortunately, the situation with the TTC and Bombardier in terms of their actual contract was one that obviously was a bit of a surprise to all of us. But let's try and discuss it, if you're keen to, in the next round.

The Chair (Mr. Tim Hudak): Super. Thank you, Minister and Mr. Miller. That concludes the 30 minutes. Now we have 30 minutes to the third party. Mr. Bisson.

Mr. Gilles Bisson: Just a quick comment and then I'm going to get to a number of questions. I'd ask if we can have somebody from ONTC up here who can answer some specific questions around rail and bus service. You do have somebody here, right? That's the question I'm asking.

Hon. Michael Gravelle: Yes. We'll make sure we get the right person.

Mr. Gilles Bisson: The general comment I would just want to make starting out: Many people have looked at northern development and mines over the years as sort of the central ministry to northern Ontario when it comes to being our advocate not only at the cabinet table but when it comes to providing much-needed services, especially in smaller communities in northern Ontario. People may or may not appreciate that in many communities and places like Iroquois Falls and smaller towns across the north, the only game in town when it comes to getting simple things like a birth certificate or assistance with your health card or whatever government service you're trying to get is at one of the service centres offered by the Ministry of Northern Development and Mines. So for the people in the north, your ministry plays an important role, not just when it comes to economic development and the larger things you do but also the day-to-day stuff that's important to people.

1010

My general comment is that it seems to many that the focus of the ministry has shifted over the years, that it's not as engaged as it used to be when it comes to being the vanguard, pushing forward with the agenda for northern

Ontario. I don't mean this personally, towards you; I just think, generally, that started some years ago and has continued through this particular government's administration. I look for a Ministry of Northern Development and Mines that is more in line with what it was set up to do: not just trying to deal with the day-to-day stuff, not just trying to move from crisis to crisis but putting in place the building blocks that are necessary to get us from being reactive to being proactive around our economy and others.

The government has announced some things, like grow bonds and a few other programs, that I'm sure you would like to speak about for 20 minutes in my response, so I'm going to pre-empt you and say that you don't need to go there; I understand those programs. But I think they're limited in success; for example, the grow bonds have not had the take-up that I think most people would have liked to have seen to be as effective as they could be in northern Ontario.

We look, for example, at the northern Ontario heritage fund. Everybody in the north understands how important and vital that is to economic development in northern Ontario. You won't say this as minister today, but there used to be a time when the northern Ontario heritage fund didn't have to offset the responsibilities of people like the Ministry of Health, the Ministry of Tourism—well, not necessarily Tourism, but line ministries. It's turned out that the heritage fund has started to fund things that used to be funded by other ministries, either through the Ministry of Health, through programs, or various other ministries when it comes to programs that would probably have been better funded through their own ministries, allowing the money at heritage fund to be more focused toward economic development.

There's a general sense—you know, the ministry is still there, and we've got some good staff in the field—this is not an attack on staff. But the tools that we used to have and focus that we used to have on really being the advocate for northern Ontario are probably not as strong as they need to be. I think that's something that many people would like to see.

For example, in economic development, I think that across Ontario and in northern Ontario specifically there are opportunities for good economic activities, even with this downturn we've had in the forestry sector. But what are we really doing from a proactive perspective to make that happen? Are we really investing in research and development? If we do invest in research and development, are we investing in helping companies to retool and utilize that new technology or process that's been invested, or starting it from scratch?

What are we doing vis-à-vis training? You know as well as I do that there's a crisis in apprenticeship training not only here in northern Ontario but across this province. You sit down with the same people I do. If you're sitting down with people in forestry, you're sitting down with people in mining, you're speaking to people in manufacturing—we're going to hit the wall very soon when it comes to skilled tradespeople. The people of my

generation—I'm an electrician by trade. I was in the last of the large groups of apprentices that were trained in the province of Ontario; I'm 51 years old. Within the next 10 years, and probably faster, because there's a lot of people older than me, we're going to be leaving trades, and we don't have the capacity to fill those spots. Why? Because we haven't been aggressive on training and finding innovative ways of supporting industry, our community colleges and workers in apprenticeship training.

There is a whole bunch of stuff that I believe we need to be doing from a proactive perspective and we're not doing as well as we should. I don't put that entirely at the foot of your ministry; I think it's also a question of overall government policies. The government has moved on some of these things—I know there's been some movement on the apprenticeship side—but certainly we're not seeing the results that we want to see. When I sit down with, for example, Tembec, they're telling me that they know that within the next five years they're going to be in a severe crunch when it comes to providing electricians and mechanics for their mills. Where are you going to get them? If the mining sector is doing as well then as it is doing now, everybody who was in forestry who lost their jobs who is in skills training probably ended up in mining. And if they're working in mining, they're probably making better money than they did in forestry, and then they're established in that company and then they've got seniority in that company; they're starting to pay into pension plans. It's going to be hard to attract them, to get them back. So we're not doing the stuff that we need to do now to make sure that we meet that crunch.

I look at, for example, the Victor Project for De Beers up at the Attawapiskat mine: Most of the skilled labour that built that mine and pretty well all the skilled labour that runs that mine came from outside of the local communities of Attawapiskat, Fort Albany, Kashechewan etc. What did we do during the planning of the construction of this mine, and what are we doing now that that mine is up and running, to say, "How do we train local citizens in Attawapiskat, Fort Albany, Moose Factory, Fort Severn, Winisk"—wherever they might come from—"from going from having no experience in the skilled trades to developing the skills that they need to get into apprenticeship training"? Because, as you know, you just can't take somebody off the street and throw him in an electrical apprenticeship of five years without having done some stuff before you get there. Mathematics, physics etc., have to be understood in order to pass your apprenticeship program.

We've not done the kinds of things that we need to do, and we're still not doing them, towards really trying to say, "How do we take advantage of the situation we have, like a De Beers, and use it as a catalyst for developing skilled trades for local people in those communities so that they can get the skills that they need to fill the jobs in our own backyard?"—and when De Beers expands or other mines open in that area, that you've got the catalyst and the role models and the things that

people can aim for when it comes to breaking that cycle of poverty that we see inside those communities.

Again, don't get me wrong: I've got great respect for you, Minister. This is not a personal attack on you; I want you to understand that. But I really worry that we, as a province, and this ministry are not doing the things that we need to do proactively in order to make sure that we do the things that need to be done to position us further down the road. So I'm going to get to some of the specifics of that as we go through your estimates.

I want to start first with—

Hon. Michael Gravelle: Can I respond a bit?

Mr. Gilles Bisson: No, that was just my general comment; I wasn't asking a question.

Hon. Michael Gravelle: Okay. I will respond at some point to it, if I may.

Mr. Gilles Bisson: That's fine, but I'm just saying—

Interjection.

Hon. Michael Gravelle: Absolutely.

Mr. Gilles Bisson: Yes, I was making the comment and I was clear that I wasn't looking for a response to that comment, because I know what your response is going to be: You've already said it in your opening statement. I know the answer, but I'm just setting out where I think we need to be as province and what you need to be as a ministry.

Hon. Michael Gravelle: I appreciate it.

Mr. Gilles Bisson: Where do you go under your ministry—because there are so many things that your ministry does that are important to us: mining, economic development, key investments through the heritage fund, the services that the ministry provides on a daily basis in our communities and the wonderful work that the ONTC does. I'll just start there. I've been inundated over the last while by phone calls, people I've bumped into on the streets, either in Moosonee, Moose Factory, Cochrane or Timmins, as to the deplorable service, what's been happening with train services going up to Moosonee.

Just for people to understand, as a context, there is no road that connects Highway 11 to Moosonee, Moose Factory. The only land connection is the rail service that goes from Cochrane to Moosonee, which normally is about a five-hour train ride. You might correct me; it may be a little bit—certainly it's more than that these days because of construction, but it might have been a little bit quicker at one point and maybe could be quicker.

The problem that people are having is twofold, and I want to hear what you, Minister, and your staff have to say on this: One is, people are worried about prices increasing yet again. There's a sense that the more you charge, the more you make it prohibitive for people to take the train, the less people will take it, or will choose either not to travel—and in some cases of e-mails that I have here, they just get on the plane. They say, "For the trouble of sitting on the train that never gets to Cochrane on time, for the difference in price between jumping on Air Creebec or jumping on the ONTC train, I'll pay the extra couple of hundred bucks and I'll take the plane, because it'll get me to Timmins on time." So the first

thing is fare. The first question—I have another one, and you can answer them both after: What are your plans vis-à-vis fare increases for the train from Moosonee to Cochrane? I'll talk about the train south of Cochrane later. So that would be the first one, because there are fare increases in the works.

The other thing is the scheduling: People are hopping mad. Imagine you live in Moosonee and you're trying to get to Timmins for a medical appointment or you're trying to get somewhere south for family or business travel, whatever it might be. You used to be able to jump on the train in the morning and end up in Cochrane in the afternoon, and then connect with a bus or have somebody pick you up and go to where you have to go. Now you get on the train I think it's at 5 o'clock in the afternoon in Moosonee, and it's supposed to arrive five hours later in Cochrane, but because of delays, construction etc. and the trackage being in a bad state of repair in some areas, it never arrives on time. The comment I get from everybody is that you're supposed to arrive at a certain time at the train station—a person drives from Timmins or wherever it might be to pick up the person in Cochrane and the train arrives two or three hours later. So the first thing people are saying is, why not put the train back during the day, because there is no appetite for people to take the train and have to overnight in Cochrane as a way of getting to where they've got to go. And two, what are you doing to try to maintain a schedule that people can actually bank on, when it comes to knowing that a train will depart and arrives at its scheduled time?

1020

So two questions: rate increases, and why don't you move back to a day train out of Moosonee?

Hon. Michael Gravelle: As you know, we're very strong supporters and advocates for the ONTC. Obviously, the services they provide are incredibly important in northeastern Ontario, and if they weren't provided, there would be no service whatsoever in a number of ways; that's true.

There is no question that there are real challenges in terms of the costs of operation now. That's no surprise to you or to anyone else. We've seen it in all modes of transport, where, because of fuel cost and other things related to travel, these costs are going up. I know you realize it. Certainly, as minister, I am not in a position, nor should I be, to determine what the fares and schedules are for the ONTC. I know you understand that, but it's important to say that. So, certainly in terms of any plans that I would have, it wouldn't be appropriate for me to get involved in that way. We work closely with the ONTC, recognizing the challenges they're facing. Whether it's passenger rail service or freight service, there have been real impacts in terms of their ability to operate.

I get my share of letters as well—I will ask Mr. Marcolini to respond, as well, if he's comfortable doing so—about service. I recognize that people get very frustrated. I think that whatever adjustments the ONTC makes, again, it's fair to say that their priority is to pro-

vide the best possible customer experiences they can. You can't always make that work. The decisions that they make related to schedule changes and fare adjustments, if any, are ones that I think they make reluctantly because of the increased costs that are out there. My relationship and our ministry's relationship with them is a close one, and we are providing them, obviously, with what we think is substantial continual support to continue to operate those services to the people of northeastern Ontario that need to be provided, and we'll continue to do so.

Tom, I don't know whether you're comfortable responding to any of Mr. Bisson's specific points on that.

Mr. Tom Marcolini: We know that the agency is dealing with some issues around reduced ridership across its passenger services and also rising fuel costs, so we know that they are looking at fares and other ways of responding to those issues.

As far as the issues with the day-to-day operations of the Polar Bear Express, I think there were some improvements made in terms of the splitting of the freight and the passenger train. I think that's been welcomed by the communities up there.

We understand that there have been some issues this summer as a result of construction on the track that ONTC, I believe, acknowledges have affected their on-time reliability. I think that's a function of some very major capital projects that are under way. The trestle across Moose River, for example, is a major—I believe it's close to a \$20-million project. That's going to be under way for the next few years. That and other work on the track that has to be done in the summer has had some impact on their on-time service. They've made us aware of that, and they're doing their best, we understand, to try to resolve those issues.

Mr. Gilles Bisson: I'll ask the question again: What specific fare increases are you looking at on the train services from Moosonee to Cochrane?

Mr. Tom Marcolini: We have to wait to hear from the commission on that.

Mr. Gilles Bisson: Is there anybody from the commission here?

Mr. Tom Marcolini: No.

Mr. Gilles Bisson: They're a part of your ministry. I would think that the commission would have somebody here, because we'd like to ask questions of some of those people.

Hon. Michael Gravelle: Can we get a response from—Deputy?

Mr. Kevin Costante: The commission is an independent—

Hon. Michael Gravelle: Right.

Mr. Gilles Bisson: No, but at the end of the day, you're the minister responsible for that commission. So I can ask you a question and I'd like to get an answer to it. What specific fare increases are you or the ONTC looking at when it comes to train services between Moosonee and Cochrane? I'll talk later about south of Cochrane, because that's a whole set of issues.

The Chair (Mr. Tim Hudak): So perhaps the deputy minister could respond to the clerk who can distribute to the members of the committee what's under consideration.

Mr. Kevin Costante: I think Mr. Marcolini responded. The board of ONTC will be looking at this and other actions, and until they give it consideration and let us know their decisions, we have nothing more to report.

The Chair (Mr. Tim Hudak): To be clear, Mr. Bisson has asked specifically what's under consideration at the ONTC. They're not here today. We'd like a response from them to the clerk on what fare changes are under consideration—

Hon. Michael Gravelle: We can ask them that question.

Mr. Kevin Costante: We can ask them.

Hon. Michael Gravelle: We will ask them that question.

The Chair (Mr. Tim Hudak): Thank you.

Mr. Gilles Bisson: And just a follow-up to that specific question: What is the subsidy currently provided by your ministry to ONTC for rail service? I have that in my papers; I just—

Hon. Michael Gravelle: Our total subsidy, I believe is—our normal subsidy is \$35 million. I think our subsidy was \$46 million this year.

Mr. Tom Marcolini: It was \$46 million capital and operating.

Mr. Gilles Bisson: How much on the operating side? That's the part I don't remember.

Mr. Tom Marcolini: I believe it's—

Mr. Gilles Bisson: About \$18 million or something like that?

Mr. Tom Marcolini: It's \$21 million, I believe—\$21.5 million.

Mr. Gilles Bisson: And how much of that is towards rail?

Mr. Tom Marcolini: It's all towards rail.

Mr. Gilles Bisson: I thought part of it was also your marine services.

Mr. Tom Marcolini: That's a very, very small amount.

Mr. Gilles Bisson: Because the bus is basically on the one side—

Mr. Tom Marcolini: Yes, the bus is on the commercial side.

Hon. Michael Gravelle: That's commercial.

Mr. Tom Marcolini: And there's a bit in the \$21.5 million for the Moosonee-Moose Factory ferry.

Mr. Gilles Bisson: Just from the perspective of the subsidy, part of—imagine you live somewhere on the GO service ridership, either the train or the bus. I'm not going to say for a second that TTC or GO never contemplate a rate increase, certainly that's happened in the past, but I think there's an understanding that the more that we charge on the ticket, the less people will take the service and decide to jump in their cars. For example, if you're living in Hamilton and have a choice of taking, let's say, the GO bus or going over to the next community and

taking the train, if it becomes prohibitive as a cost, you may just say, "The heck with it. I'm going to take my car," and drive on that big parking lot called the QEW that eventually gets you into Toronto sometimes in an hour or two hours' length.

The point is that it seems to me from a public strategy vis-à-vis how we get people out of their cars, it makes some sense for us to provide a subsidy so that we can provide better services, more frequent services, so that people have more choice about how they get from point A to point B in this case on GO or, in the other case, the other organization for us is the ONTC, and to keep the rates as reasonable as possible so it doesn't become a deterrent.

So I guess my question is, are you looking at the possibility of going to cabinet in order to look at the subsidy to the ONTC so we can have the dollars necessary to make those key investments that need to be made vis-à-vis an increase in services that increase ridership and keep the rates at a reasonable level? Are you looking at any increases?

Hon. Michael Gravelle: What I could tell you is that I believe the support the province provides through our ministry is substantial and it's strong. I'm very pleased with the support that we give to them and I think you would hear that if you spoke to the chair, as well. We've been very supportive. The fact is that it's certainly not just the ONTC. You mentioned GO; you mentioned others. Any organization that is in the travel business is dealing with the realities of increased costs. I know—at least, I think I can say safely that whatever decisions are made by the ONTC, they're done with the understanding of what you just said, that it can have an impact. There are examples of other services where increases have gone in place and depending on the type of service it has an impact, but certainly I do believe that the level of support that we are providing the ONTC—and certainly it is substantial and it's absolutely warranted and I'm proud to say that I'll continue to support that. But at this stage, I'm not planning to move forward with a further plea to our government for an increased funding level.

1030

Having said that, we're watching it closely. We recognize that it does have an impact. As you'd be the first to tell me, the ONTC also is a very important part of the economy in northeastern Ontario. We're talking about 1,100 jobs—am I right about—

Interjection: Well over 1,000 jobs.

Hon. Michael Gravelle: Well over 1,000 jobs, so we recognize that as well, and perhaps more significantly, the services that are provided are vital services that wouldn't be provided otherwise. I'm conscious of everything you say and I have no doubt that the ONTC is very conscious of that as well. Nobody treats lightly a decision to have an increase, but that will have to—

Mr. Gilles Bisson: But the problem that you have is that we know where the ONTC is going. I've spoken to some of the people who work at the ONTC and I've spoken to some of the members of the board. They're

facing higher fuel costs. We understand that, and it's not your fault, not mine; that's just what's happening worldwide, and it's affecting the bottom line. We understand that. The problem is that they're faced with the situation of what to do. They can either reduce services or they can increase fares; in this case, they're going to do both. The problem with reducing services and increasing fares is that it reduces ridership overall. It's a downward spiral; the more that you raise fares and the more that you reduce services, the less riders you have, and it's a downward spiral towards a less economically sustainable organization.

It seems to me that we need to turn that around, and one of the things that we need to do is to look at what we can do from the province to properly fund the ONTC by way of its subsidy so that they're able to look at—never mind trying to decrease the services that we've got now. How are we able to make services better for people who use the services, such as the people of Moosonee, Moose Factory and the James Bay, who don't want to take a train at night, who say, "I should have a day train. I should have a better schedule"; and for those people who take either the train or the bus services from Cochrane going south towards North Bay, Toronto, Sudbury and all those points in between?

Again, I'm going to ask the question specifically: Is there any plan on the part of yourself as minister and your ministry to develop a comprehensive strategy in order to work with the ONTC towards increasing its subsidy so that we're able to stop the slide of ridership that we're seeing now because of the reduction in services that have happened and continue to happen?

Hon. Michael Gravelle: Well, what I can tell you—I'm sure not going to argue, to talk to you about the way you lay out the facts, as you're quite right in terms of the challenges that are being faced. As you also know, with the downturn in the forestry sector, that's had an impact on the revenue base of the commission. I think that it's important to point out that the base subsidy is \$35 million, and in fact we provided \$46 million this past year to the ONTC. So indeed, we are working closely with the ONTC in terms of both their short- and long-term realities and plans. We provided an increased subsidy this year for specific capital improvements to the rail line that had to be done. That, I think, in some ways should be viewed as our understanding of the challenges that they were facing in getting those things done in light of the reduced revenues from other sources.

I'm sure we'll continue to work closely with them. I think that they're doing a pretty good job under very, very difficult circumstances trying to maintain the services, and I think, in many ways, hopefully, recommending the right decisions that they can to keep the services going. But again, I'm not going to argue with you about the realities that they're facing or the impact of increased fares and schedule changes and what they can do. Again, I trust that the right decisions will be made, taking all that into consideration.

Mr. Gilles Bisson: I hear you, and you're saying, "Leave it up to the ONTC," but that's not my question.

Hon. Michael Gravelle: No, I'm not exactly saying—

Mr. Gilles Bisson: My question to you is, are you planning, as minister, to work towards a plan that increases services along the ONTC routes in order to increase ridership? That's the question.

Hon. Michael Gravelle: Yes, and the answer, I guess, is, just to put in a tie on this one, that we will continue to work closely with the ONTC in terms of both their short- and long-term planning, recognizing that there are these challenges that are facing them. We will maintain that close relationship in terms of what their challenges and needs are.

Mr. Gilles Bisson: I just think it's sad, because the opportunity is there. If we start working now and look at a five to 10-year plan—we don't have to do this all in one year—and say, "We recognize that we have a loss of ridership. The ridership loss is caused by a number of issues, some of them in our control, some of them not. Here's what we're prepared to do over five or 10 years in order to increase ridership, both on our bus and on our rail services"—I think that would go a long way towards, in the future, putting the ONTC in a position of having a stronger revenue base to support that level of service and probably be less reliant on government when it comes to a subsidy.

We can't just keep on going the way we are now, where the ONTC says, "God, fuel prices are up. We're not going to get an increase in subsidy, so therefore, let's do a reduction in services and fare increases." We know where that's going to lead. It's going to lead to lower ridership, which, at the end of the day, is going to lead to worse services.

Hon. Michael Gravelle: Again, I appreciate what you're saying, and I do think these are discussions that the ONTC board is probably having itself about the future, but again, it's important to point out that indeed there was an increased subsidy this year—

Mr. Gilles Bisson: Just before I run out of time—I think I've got about three or four minutes.

Hon. Michael Gravelle: There was an increased subsidy this year for the capital works on the rail line.

Mr. Gilles Bisson: No, I understand there were capital investments—

Hon. Michael Gravelle: That's important—

Mr. Gilles Bisson: I give you credit for that. I'm not arguing for—

Hon. Michael Gravelle: But I think that's irreflexive of some degree of our work with them, and—

Mr. Gilles Bisson: There have been some capital investments, and I recognize that and they're welcome. That's not the issue. There are some things you do that are right, and I'm prepared to agree that some of them are. My point is that if we adjust the problems that the ONTC now is having due to fuel costs by way of reduction of services, an increase in fares is just going to lead to fewer riders. That's my point.

Let me ask you this question: People in Moosonee, Moose Factory, the James Bay area are saying they don't want the night train; they want a day train. Are you pre-

pared as minister to talk to the ONTC in order to reverse the decision that's been made so that we can go back to a day train so that people can get into Cochrane in a timely fashion in order to get picked up and brought to wherever they need to go?

Hon. Michael Gravelle: Again, I think this is a decision that needs to be made by the ONTC. I don't think it's an appropriate role for me to play to be—

Mr. Gilles Bisson: It's absolutely appropriate. I was in your ministry and I did it when we were government, for God's sake. Don't tell me it's inappropriate. The current Chair did it when he was the minister.

Hon. Michael Gravelle: I'll be happy to convey that concern to the ONTC. I absolutely will do that.

Mr. Gilles Bisson: Because you're the minister in charge of the ONTC, and I understand it's an arm's length organization, to a degree, that manages itself, but they're answerable to your ministry under the act. The Chair knows that, because he was the former minister; I know that, because I was parliamentary assistant to that ministry for five years.

So I'm just asking you: Please go back to the ONTC and try to convey to them that people who utilize that service on the James Bay are not happy with the current service as far as schedule and rates and others—but specifically the schedule—and to return it to a day train. I've got e-mails and phone calls—and I'm sure you got a copy of most of them—and bumped into people. People aren't happy with the service. Nobody wants to get dropped off at midnight in Cochrane looking for a hotel room where there are none available and having to figure out how they're going to get to Timmins or wherever they may be going at 12 or 1 o'clock in the morning. It's just not the way to do things.

Hon. Michael Gravelle: I will convey that to the ONTC.

The Chair (Mr. Tim Hudak): You have two minutes left.

Mr. Gilles Bisson: I have two minutes left? Wow, how do I get into—

Hon. Michael Gravelle: How did that happen?

Mr. Gilles Bisson: Let me just end on this point rather than going to a question, because I'll get another chance. I want to talk about bus services and rail services south and freight services and the heritage fund and First Nations—there are so many things that I want to talk about.

Hon. Michael Gravelle: We've got lots of time.

Mr. Gilles Bisson: We've got lots of time.

I really want to stress this point: You cannot afford as a minister and your government cannot afford as a government to take the position with the ONTC that they're going to do their thing and they have to manage within the envelope that we've given them and they're doing the best that they possibly can and we trust that they're going to do a great job. I trust that there are some people who are trying to do a great job, but the government has a responsibility to provide somewhat of a strategy about

how they're going to grow their business so that they're in a position to increase ridership.

I just make the point again, we need to have a five- to 10-year plan with the ONTC that says, "Here's what we're prepared to do on the capital side for better equipment and a better rail bed etc., to provide services along the ONTC rail route and bus routes, and what we're going to do in order to try to attract additional passengers to the system." Because if we don't get the additional passengers—you've got the numbers; the passenger numbers have been going down for the last number of years, which is quite problematic from the ONTC's perspective. But imagine being the citizen living in Cochrane or Moosonee who relies on that service and it's being diminished. It's pretty hard to take.

So I think you need to go back and talk to your staff about what you can do as a government as a way of supporting the ONTC by properly supporting them financially so that they can develop, along with your ministry and northern citizens, a five- to 10-year plan of key investments that need to be done in order to increase ridership on our buses and on our trains so that we can make it much more economically viable in the longer term.

With that, I now look at the government for the wisdom of their questions that they are now going to ask you. You should sit down and hold onto your seat, because I know they're going to be tough—

Hon. Michael Gravelle: I think they're going to allow me to respond a bit, though, Mr. Bisson.

The Chair (Mr. Tim Hudak): Thank you. That does conclude your time, Mr. Bisson. Minister, you're absolutely right: You have 30 minutes to wrap up and address issues that have been spoken about or any concluding comments you may want to make.

Hon. Michael Gravelle: I will respond to a couple of things that were brought up by both Mr. Bisson and Mr. Miller, if I may. Just to carry on, even though—

Mr. Gilles Bisson: You can start with me, because I've got to leave soon.

Hon. Michael Gravelle: Do you have to leave? I appreciate your question, and we absolutely are in agreement about how important the ONTC's services are, particularly the passenger rail services and the other services. I certainly don't want to leave you with the impression that we're not involved in discussions related to those issues. They're very, very important, and we are working closely with them, but we also want to respect the right of the ONTC to independently manage their operation. I want to assure you that we will be having discussions and we will convey the concerns that you've expressed. I'm sure you've done that yourself in the past and will do it again, and I will make sure we do that as well.

1040

If I may, I want to respond a little bit, at least, to your opening comments. I appreciate the very positive things you said about our ministry staff. Again, as northerners, we all absolutely know this. It's certainly something that I was conscious of. I, of course, had the distinction of

being an employee of the Ministry of Northern Development and Mines 20 years ago when the northern development councils were first put in place by then-minister René Fontaine, who was a great minister. I think we'll all agree on that, party politics aside. I got a chance to be the first coordinator of the northern development councils, so that was really, really great. I recognize just how important our staff are and what a role they play in the community, so I appreciate that.

I also appreciate the comments that you made, not that I completely agree with you, in terms of the direction of the ministry. Certainly, I embrace the opportunity to be minister and, if anything, have been startled by the vast number of issues that our ministry deals with and the priorities and the initiatives we're taking. Again, I'm excited about the opportunity.

In terms of your comment, though—maybe you'll respond in your next turn—about us being reactive as opposed to proactive, that's where I think we part company to some degree. I do believe the fact that we are able to get the second growth plan in the province to be a growth plan for northern Ontario, when one particularly considers the circumstances of our reality in northern Ontario—obviously, we have very different challenges. The first growth plan, which was down in the Golden Horseshoe, was about how you manage growth. Our growth plan is very much a proactive discussion about how we build an economic vision that works for northern Ontario. I think that's the definition of a proactive move. Clearly, as I stated in my opening remarks and will do on many other occasions, it's a very important priority for our ministry to move forward on the growth plan. We look forward to engaging all northerners in this discussion. We've got a relatively ambitious time frame for that. It really is about determining what resources we need in the north, what our capabilities are and what we can do. It ties into a lot of the recommendations that Dr. Rosehart made. That growth plan, I think, is at odds with what you're saying about the direction our ministry has been going in. I'm very proud of the fact that we've been proactive in that regard. I'm certainly going to keep you posted on it; I'm going to keep the public posted on it. I think it's very, very important.

We have so many opportunities in northern Ontario. There are challenges. Certainly I, like everyone else who was a member of the Legislature, let alone a citizen of the north, saw what happened in the last five years in terms of the forestry sector. It's been a struggle. I am very proud of the fact that our government has provided absolutely unprecedented support in terms of the forestry sector.

Mr. Gilles Bisson: It's unprecedented, for sure.

Hon. Michael Gravelle: Well, it's true.

Mr. Gilles Bisson: How many jobs lost?

Hon. Michael Gravelle: Well, we've created thousands of jobs or sustained them through the northern Ontario heritage fund.

The long and the short is, it's been a challenging time and it continues to be. I think that we need to recognize that our government has responded to it.

You also made reference to apprenticeships and training. The fact is, as you know, we've made major investments, particularly with MTCU apprenticeships and new skills training centres in Timmins and in Thunder Bay. The colleges are moving forward. There are significant apprenticeship funds going out to First Nations as well, to First Nations communities and to colleges in the north. So the investments are being made in the skills training field that are relevant to the north, a lot of them in the mining field. Confederation College in Thunder Bay has a diamond drilling training course going on in Greenstone, in Geraldton specifically, and there were 42 placements for that, and about 30 of those placements are displaced forestry workers, people who lost their work within the forestry sector and now they're moving into the mining sector. Those are the opportunities that are there, and we're rather proud of that.

You're giving me an opportunity here. We have literally flowed over \$384 million in assistance to the industry. We have created or secured over 4,900 jobs. We've leveraged \$368 million in new private sector investments. Obviously the energy rebate program is another one that we're very, very proud of. Significant dollars have gone to major pulp and paper industrial leaders in the north—

Mr. Gilles Bisson: When does that end?

Hon. Michael Gravelle: It's a three-year program. I believe it was announced in 2006, so 2009. It's the \$140-million energy rebate program. We're proud of that. It's bringing electricity costs down by 15%, and it's been a significant help to many. We provided significant help; I guess it was Abitibi Consolidated, but it's now the AbitibiBowater operation in Fort Frances—tremendous support: \$22 million for their biomass converter, in terms of the operation there to bring down costs.

I know you would expect me to want to talk about these things because they are very positive things, but again, we are responding to the challenges in the north. We're going to continue to respond. The job of the northern development minister is to be on top of those things. I accept and I welcome that my job is to be an advocate in all areas of northern economic development. We're very proud of that, and as I pointed out, if I still have time, I may go through some more specifics about the heritage fund itself.

If I may also, I wanted to get back to Mr. Miller. I appreciated our discussion about the Rosehart report and some of the recommendations that we're bringing forward. When you were talking about capacity building, the deputy passed me a note—thank you very much for that, because it was something I did forget which is important—we do have the \$25-million capacity-building relationship fund, the Ministry of Aboriginal Affairs, in the 2008 budget. That, I think, speaks somewhat specifically to the need for capacity building. We are certainly still consulting with First Nations communities on the details of that, but I just think that does connect to your question about the Rosehart recommendations and a few other things.

I know you're all very upset because I didn't get to finish my speech. There are a couple of things in it that I really think are important for the members of the committee to hear, and I know the Chair would be very interested in this. I think it's an opportunity to talk about our mineral sector. I'm grateful to all those who helped me prepare my remarks, but they know how I tend to go offside, so I sometimes run out of time. Let me just try and talk a little bit—

The Chair (Mr. Tim Hudak): You've got 20 minutes, Minister, still.

Hon. Michael Gravelle: How much?

The Chair (Mr. Tim Hudak): About 20 minutes remaining.

Hon. Michael Gravelle: Great. We have lots of time. I'm going to give you a brief overview of the current status of mining and exploration in the province of Ontario. I think that's important and I look forward to the opportunity.

The province's mining and exploration industries are probably in their strongest position ever—I think that's well known—as metal prices have remained high, with a very, very positive outlook. The value of mineral production in 2007 was \$10.7 billion, a new record and an increase of \$9.5 billion from the previous year.

Currently, there are 42 operating mines in Ontario. That means we're right to think of Ontario as a mining powerhouse. All of the province's 27 metal mines, its one diamond mine—which we're very proud of; the first Victor mine near Attawapiskat is a tremendous story—and five of the 14 industrial mineral mines and quarries are located in the north.

However, Ontario is one of Canada's leading producers of industrial minerals such as salt, talc, phosphate, silica, clay products, cement, lime, sand and gravel and stone. Most of this production is from southern Ontario. I don't think we should let the opportunity go by to note the major role that Toronto plays in the global mining scene. It's an extraordinary story.

The Toronto Stock Exchange is the mine-financing capital of the world. In 2007, it raised more than \$15 billion in new equity capital. The Toronto Stock Exchange, combined with the TSX Venture Exchange, boasts a listing of more than 1,300 mining companies, making them home to more than half of the world's listed mining companies, with a market capitalization last year of \$371 billion.

1050

Let's take an opportunity here to look at one of Ontario's newest mines, its first diamond mine, the De Beers Canada Victor mine in the James Bay lowlands—an exciting story. This \$1-billion project—and I'll repeat that, a \$1-billion project—generated more than 1,100 jobs during construction. More than 400 permanent jobs were created with the start of production in March, and it is estimated that the Victor mine will contribute \$6.7 billion to the Ontario economy over the project's 17-year life.

Earlier this summer, I was pleased to announce that the province and De Beers Canada have come to an agreement that 10% of the Victor mine production by value will be made available for activities such as cutting and polishing in Ontario. Also, I was able to be at the official opening of the mine—I think it was July 26—which was an extraordinary event and one that was very, very moving as well. It is a remarkable story, and the impact benefit agreements that have been signed with Attawapiskat and I think are being discussed right now with other First Nations involved are good news and positive news as well. I'll get to a little update later.

With respect to exploration activities: Last year, there were 308,000 active mining claim units, which was a record level for the fourth year in a row. This year, Ontario is forecast to lead the country in exploration expenditures, with a projected figure of approximately \$629 million. So that's really impressive. What that means, from the perspective on the ground—\$629 million is a lot of money, but I can tell you what it means from the point of view of the communities that I've visited as minister in northern Ontario, and, may I say, from the perspective of the communities that I represent in northern Ontario in Thunder Bay–Superior North. When you see the spending going on in communities such as Greenstone and Geraldton specifically—again, a community that's had struggles related to forestry. When you see the mining exploration activities going on, when you see the activity in Marino's Hardware in Geraldton, when they tell you that money is being spent, the hotels are being used, the restaurants are busier than ever, that's the good news that comes with that extraordinary excitement about exploration in the mining sector.

Of course, this means jobs as well. Approximately 100,000 people across the province are directly and/or indirectly employed in mineral exploration and production, and in the mining equipment and services sector. As for the wider effect on the everyday lives of all Ontarians, the products of mining are used in virtually every aspect of modern life. The fact is that we all depend on the minerals industry, and we depend on my ministry to regulate it efficiently without compromising either environmental and social responsibilities or global competitiveness. Our attitude is that we can always do better—we believe that strongly—and we are committed to doing just that. Our government, through my ministry, is constantly examining ongoing initiatives, weighing successes and probing challenges.

Our aim is to develop approaches that will secure Ontario's position of prominence in the world of sustainable mineral development. To enhance mineral sector competitiveness, my ministry manages Ontario's mining lands, attracts investment and supports mineral development. We provide scientific expertise relevant to many other policy priorities. We also, of course, administer the Ontario Mining Act to ensure fair access to crown mineral rights and equitable management of mining lands.

The Ontario geological survey, or the OGS, as it is more commonly known, has its headquarters in Sudbury

and has staff at nine regional geoscience offices. The OGS is an incredibly important part of our ministry. They provide geoscience information and services that help to foster a vibrant mineral sector, identify potential sources of quality mineral resources for the construction industry and infer potential sources of oil and gas.

Geoscience information from the OGS also helps identify Ontario's groundwater aquifers and areas for source water protection. This is vital information for many southern Ontario communities that depend on groundwater for their drinking water. The OGS also shares objective information with aboriginal communities about mineral sector activities, the use of geoscience and community-based business options.

My ministry's mineral development and lands branch works with partner ministries, federal departments and the mining industry to promote safe, sound and sustainable use of Ontario's mining lands. One thing that we're very proud of is the abandoned mines rehabilitation program, a very significant part of our ministry. It plays a very major role in this case. This program helps protect public safety at former mine sites on crown land. It sees that physical hazards are eliminated and that toxic emissions to the environment are eliminated or certainly greatly reduced. Since 2003, our government has committed almost \$90 million to the abandoned mines rehabilitation program, and looking at that figure in more detail, I'll make it as clear as I can. Between 2003 and 2006, we invested approximately \$30 million in mine rehabilitation. In the 2006 budget, our government committed to the first-ever long-term funding of this initiative with a further \$60-million investment over six years. So if you go back to the program's inception in 1999, \$118 million has been officially announced to rehabilitate abandoned mine sites on crown lands, obviously a very, very big job. Certainly I'm very proud that our government was the first to provide a stable, long-term commitment to this program.

This long-term commitment has been invaluable in rehabilitating the former copper/zinc mine Kam Kotia, near Timmins. I was up there with the Environmental Commissioner, and I'll make reference to that in a moment. I think it's fair to say that the worst conditions at an abandoned mine in Ontario were found here. The fact is that work began at Kam Kotia in 2001. Priority was given to containing and neutralizing some 500 hectares of acid-generating tailings. To date, \$52 million has been dedicated to the Kam Kotia site. If the last phase of the rehabilitation goes according to plan, we will be able to complete the work at Kam Kotia in two years, which is a remarkable story. Certainly, I need to stop here and thank and commend the Ontario Mining Association for the role that it has played at Kam Kotia. Through a joint agreement with the ministry, we are matching a mining industry contribution of up to \$1 million for abandoned mine site rehabilitation.

As I mentioned, I was with Ontario's Environmental Commissioner, Gord Miller, and OMA president Chris Hodgson when we were there to celebrate another major stage in the rehabilitation of the Kam Kotia site. I want to

quote what Commissioner Miller had to say: "The initiative to clean up the Kam Kotia environmental legacy represents a refreshing model of leadership in environmental stewardship for the mining industry. I look forward to a new era of partnerships between government and industry."

If I may, I will talk about some of the other ongoing initiatives to support the province's mineral industry.

Interjection.

Hon. Michael Gravelle: Ten minutes left? Thank you very much.

We have launched the province's first mineral development strategy. We introduced GeologyOntario, a one-window delivery system that supports investment decisions by potential offshore investors in Ontario's mineral sector. We invested \$15 million in the far north geological mapping program. We were very proud to invest \$10 million in the Centre for Excellence in Mining Innovation in Sudbury. We initiated public discussions on how to develop mining-related consultation guidelines as part of our commitment to meeting our duty to consult with aboriginal communities. We're very proud of the work we've done on that and I'm proud of all the staff who were involved and continue to be involved in this process. And, as mentioned earlier, to ensure that Ontario remains an attractive investment destination in a highly globalized and competitive marketplace, as well as responsive to the expectations of today's society, we are currently undertaking a review of the Mining Act, and those consultations are indeed under way.

There were some notes here. The announcement about the Rainy River abattoir, Mr. Miller, was on August 8, and we'll make sure we get it to you. I'm sorry; you probably should have—I'm not sure you should have had a copy of it, but the release went out on August 8. We're very happy about that.

I'll save the other one for when Mr. Bisson is back.

Interjection.

Hon. Michael Gravelle: That's an important point too. In terms of the NOHFC, I think maybe I will—yes, this is connected back to the all-weather roads question, to Mr. Miller. We did make a significant announcement at Lac Seul First Nation in terms of all-weather roads. We had some discussion, and the heritage fund funded the Lac Seul First Nation on August 7 with \$983,000 for an all-weather road. It will link Whitefish Bay and, it looks like, Kejick Bay. It's nine kilometres of roads, so that's very significant.

1100

Mr. Norm Miller: How many kilometres?

Hon. Michael Gravelle: Nine kilometres of roads. I believe that they are looking for or are expected to get some support from the federal government as well. I was pleased that they were eligible to apply for the heritage fund.

The fact is that we have provided over \$25 million to aboriginal communities through the northern Ontario heritage fund since October 2003, and obviously that's very significant, so we're pleased about that.

We're proud of all the work we do in the ministry, and we certainly have a lot of initiatives that we're undertaking, but I always like to have the opportunity to speak about the significance of the heritage fund and the impact it makes.

How much time do I have left?

The Chair (Mr. Tim Hudak): Eight minutes.

Hon. Michael Gravelle: Then we're in good shape.

As I said earlier, in terms of the Northern Ontario Heritage Fund Corp., this is a remarkably important fund that was begun 20 years ago, under the leadership of René Fontaine, the Minister of Northern Development and Mines at the time. One of the nice things that we've done this year at our northern Ontario heritage fund meetings is we've been going to various locations and inviting people to the reception. We like to meet with the community leadership and business leaders to let them know that we're in town and, obviously, to promote the heritage fund. We're inviting people who received heritage fund applications 20 years ago, some of the first people to receive them. They're wonderful because they're success stories. I'm not going to sit here and tell you that every one has been able to maintain their business, but I think most of them have. The fact is that when we were in Gore Bay and in Kenora, and I think when we were in Hearst as well, we had people who had applied 20 years ago. They were really touched by it. It really meant a great deal to them, and it made a huge difference in terms of them being able to either open their business, maintain their business or grow it and create jobs. So we're pretty excited about that. That's been one of the nice parts about our travels, through the heritage fund, this year.

As I pointed out earlier, and I'm going to repeat it, to date, the NOHFC has approved over \$373 million in projects, which totals up to more than 1,870 projects and leverages over \$1.2 billion. This is a staggering amount, but what's perhaps most important and significant about it is that it helps create or sustain over 10,370 jobs in northern Ontario.

We revamped the NOHFC's mandate back in 2005, because we wanted to give the private sector the opportunity to again apply for funding, one of the aspects of our program. We wanted to, obviously, focus on youth. We all are very conscious of the youth out-migration challenges. In fact, back in 1990-91 when I was a ministry staffer, one of the things I did was work on a youth out-migration study. Those challenges obviously continue to remain, but what we've done by bringing in our youth entrepreneur program in particular is find a very, very specific and clear way to financially help people stay in the north.

We've also, of course, recognized the need to support emerging technologies. I spoke to you about telecommunications. We have supported this with over \$38 million, in terms of cellular and broadband. We all know what a difference that makes in smaller northern communities. That's probably one of the aspects of the fund that I'm most proud of and will continue to talk about as

often as I can. The northern Ontario heritage fund, in essence, supports vital infrastructure and community development projects in a significant way almost every day.

We also, of course, announced a new northern energy program—in, I think, 2007—and enhancements to existing programs. This was very significant in terms of people being able to convert. Particularly we're seeing this in resort owners in remote areas in terms of getting them off diesel and getting them onto solar. We're supporting that. Again, this is a reflection of Mr. Bisson's point about us being proactive or reactive. I think that's a very proactive thing that we're doing, and the uptake on it also makes it very clear how important that is.

In terms of cellular and broadband, we are going to maintain our support for this need to really cover the north. Our goal is to have cellular and broadband coverage across the north in the next three years. I'll tell you, every time that we make an announcement regarding what the improved service will mean, we get a whole bunch of phone calls from people from all across the region asking when they will be able to get cellular, because, while many people in parts of the province take this for granted, we sure don't. Again, as a member who has a huge riding travelling from Thunder Bay all the way along Highway 17, past Marathon and up Highway 11 past Longlac up to Nakina, there certainly are spots where the cellphone isn't working. The improvements have already been very obvious, but we're going to continue to support this. Although, to be absolutely fair, we're not going to be able to get 100% coverage, I think we can get pretty close in terms of areas.

In terms of the program itself, since the start of the new mandate in January 2005, we have made significant investments. Over \$121 million has been invested in local community infrastructure development and enhancement projects through the NOHFC's infrastructure and community development program, one that we are very, very keen to continue with. That is making a huge difference.

I'm very excited about the fact that over \$20 million has been approved through the youth internship and co-op program of the NOHFC. This has helped create over 800 internships and co-op placements which span the entire north, including far north remote communities—clearly making a real difference in terms of helping people get in position to work in the public and the private sector. But in the public sector, in particular, I think this positions them very, very well to be able to show the skills that they have. In some cases, what this has meant is that they are offered jobs as a result. The internship program, in particular, is very significant.

We have invested \$4.3 million under the young entrepreneur program to over 160 businesses across the north. This is a great program. Each time we're in a position to make announcements, we, again, try to invite some of the recipients to the events. It's just inspiring, because you've got these young people—northerners—who tell you that unless they were able to receive this

support, there's a good chance they would have left the north. This proves the point to us—one of the reasons we did this—that this is what we need to do to support young people in the north. They've got some tremendous ideas, and they're very much ideas they've thought through very well in terms of a good business plan. So we've got some great operations in the north that have been there as a result, which means young people are staying in the north, opening up new businesses, hiring people themselves and employing more people as a result of the support that we're able to give them through the young entrepreneur program.

I've talked about the emerging technology program. We have invested over \$69 million in that. This is not just for cellular and broadband, although that's been one I've focused on. These investments have provided key support for the film, animation and biotechnology sectors.

As I did mention—and I appreciate the note—since 2003, the government has invested over \$25 million in aboriginal communities through NOHFC programs, including telehealth services expansion, waterfront development and cultural attractions.

We know, and I can tell you I know now, having been to the communities, what a difference these NOHFC investments make. With the increase in the heritage fund each year to 2011, we know we'll be able to increase our investments, and we believe that can only be good news for northerners.

The Chair (Mr. Tim Hudak): Minister, thank you very much for the summary. One thing I'd ask too: Earlier Mr. Miller had asked about the abattoir in Rainy River, and you had indicated you would get Mr. Miller a copy of the press release.

1110

Hon. Michael Gravelle: Yes.

The Chair (Mr. Tim Hudak): Just for the sake of process, could you get the copy to the clerk and she can distribute it to all members of the committee?

Hon. Michael Gravelle: Of course. Yes, we can get one fairly quickly.

The Chair (Mr. Tim Hudak): Thank you very much, Minister. We'll now go into our general rotation. We'll do 20-minute rotations until we hit noon. We then break for an hour for lunch and resume the rotations beginning at 1 p.m. until our time has expired. We'll begin with the official opposition, followed by the third party, and then the government members. Mr. Miller, you have 20 minutes.

Mr. Norm Miller: Thank you, Mr. Chair, and I'll return to finishing off with Dr. Rosehart's report, which is specifically for northwestern Ontario, but I think many of his recommendations are applicable to all of northern Ontario.

Going back to the point we were talking about when my half hour ended, that is his recommendation number 14.4.1, "Buy Ontario": "It is recommended that government procurement policies be pursued in the mass transit sector that support indigenous value-added content

preferences and policies that are modelled after those of Ontario's major competitors."

We have a situation, as I'm sure you are well aware, occurring right now where the TTC is looking at having the biggest contract ever filled—it's over \$1 billion—and certainly it's a contract that could be filled by Bombardier in Thunder Bay. I guess my question for you, in an area that's seen tremendous job losses—you know how important it is to the area of Thunder Bay—what are you, as Minister of Northern Development and Mines, doing to advocate to make sure that that contract goes to Bombardier in Thunder Bay?

Hon. Michael Gravelle: Certainly, as a local member, I have been very strongly advocating and supporting the Bombardier application. I'm very pleased that our government brought in a 25% Canadian content policy. I really believe that was a significant help in terms of the contract process that went forward. Again, we were so pleased about the \$700-million contract that Bombardier was able to get, and I think we're still optimistic that there is a real opportunity for Bombardier to get this contract that now, I think, has been delayed. The other companies have re-entered the discussions, although I still believe that Bombardier—again, I speak more from the perspective of a local member than I do as the minister on this, but I think, with the history they have with the TTC and with GO Transit, they are the ones that have the best qualifications to build these vehicles, and no one does it better. They also are at the forefront of research in terms of future developments.

Again, I think the 25% Canadian content requirement that was put in place was significant and important. Of course, as minister, we are always advocating for northern Ontario businesses, and that's something that we are going to continue to do. So I'm optimistic.

I think we were all taken aback by the announcement or whatever the term may be related to the RFP that went out to Bombardier, and I believe there was one other company that was in the mix when Bombardier was deemed by the TTC not to be fully technically qualified for the bid. We were all taken aback by that. It seemed unusual. But I'm obviously in no position to specifically comment on that because I'm not privy to the actual RFP. But regardless, I think Bombardier is the best and I'm confident that they will have a good opportunity and I'll continue to support them.

Mr. Norm Miller: Other jurisdictions have other means to encourage support of their local economies. In fact, I believe Quebec has a bonus system, where the higher the Quebec content, the increased bonuses go to the companies. Is that something that the Ontario government is considering?

Hon. Michael Gravelle: As I say, we took a position related to the 25% Canadian content. There was an important discussion with that. There was a lot of lobbying in relation to that. The government of Ontario supports a fair, open and transparent bidding process. We think that's important, and obviously that would provide taxpayers with the best value for money as well. Certainly

we've had other government officials speak about this. We would like to see some benefit for the dollars that we put out. I think if you look at the specifics of our \$17.5-billion Move Ontario 2020 plan, that is going to bring 156,000 jobs to Ontario. But you will also see, I think, \$14.5 billion of that \$17.5 billion, which is somewhere around 80% or 82%—that total dollar amount is going to be spent in Canada. That's where we will create the jobs. That will spent on engineering, design, construction, rolling stock. The support is there in terms of the dollars that we are going to be spending through that program in terms of Ontario jobs.

Mr. Norm Miller: Dr. Rosehart also recommends in his recommendation number 14.5.1, northern investment capital: "It is recommended that the Ministry of Finance, in consultation with their federal counterparts, explore the development of a pilot program that will provide tax-based incentives to those investing in projects in the region. Consideration should be given to models similar to the flow-through shares program..." That's in reference to the mining flow-through shares, which I think has been very successful.

This sounds very similar to the proposal that was actually brought into effect by the Ernie Eves government, the northern tax incentive zones, to have lower taxes in northern Ontario to attract business to northern Ontario. That sounds a lot like what this recommendation is talking about. My question to you is, why did your government do away with that proposal that was put in place by the Ernie Eves government?

Hon. Michael Gravelle: I don't think I can, in a straight-ahead way, speak to that. I can tell you that in terms of Dr. Rosehart's recommendations, that is another recommendation that we are discussing with other ministries, the Ministry of Finance in particular. As I've stated in our earlier discussions this morning, I am very keen to move forward with those discussions to get feedback from the ministries as to what we are able to announce. There have been significant announcements related to recommendations Dr. Rosehart has made. We're very proud of that. We're going to be getting our reports from the other ministries. We're going to be reporting. Again, I can't tell you at this time whether or not that will be part of my update when I give it in October.

Mr. Norm Miller: So it's safe to say that despite the fact that your government did away with Ernie Eves's tax incentive zone that was in place, you will consider this recommendation by Dr. Rosehart to look at possible tax incentives to attract business to the north.

Hon. Michael Gravelle: We're looking at Dr. Rosehart's recommendations very closely, Mr. Miller; I know you're aware of that. This was a report that came out as a result of then-Finance Minister Sorbara's 2007 budget. Dr. Rosehart went to work right away. He came up with a number of recommendations, some short-term, some long-term.

Another one of the recommendations of his that I should be highlighting, because he was very strongly—

again, this speaks to why I think I want to do an update on the work that we've been able to do since Dr. Rosehart came out with the report. The \$20 million over four years for geological mapping is crucial, vital and something very key to Dr. Rosehart, and we were able to announce that in our 2008 budget. That, of course, very much helps our mineral exploration sector identify areas of economic opportunity. That's really great.

Dr. Rosehart certainly asked us to do a number of things that we think we're on track with. I earlier noted his recommendation that we move forward on supporting an abattoir in the Rainy River area, and we are doing that as well. I'm not sure whether it's fair to say to you that—I'm being honest: We are not going to be able to move forward on all of the recommendations in the Dr. Rosehart report in the time frame. I don't think he would expect us to. But we've seen significant progress already in terms of Dr. Rosehart's recommendations, and I think I can say with some confidence that we're going to see more. That's why I think it's important for me, as the minister responsible for Dr. Rosehart's report, now that it's in my hands, to give an update, and that's my plan.

Mr. Norm Miller: Recommendation 14.1.2, cottage lot and crown land development: A number of years back when I did a week-long northern tour visiting people all around the north, that was an idea then. It was probably six years ago that I did that trip. It was very popular with the people I spoke with. In the Elliott Lake area they've been very successful with the development of cottage lots. I think probably most municipalities in the north view it as something that can increase their tax base by developing cottage lots and thereby fund municipal projects, infrastructure projects that are so important to the viability of communities. I see it is a recommendation put forward by Dr. Rosehart. How do you feel about that recommendation?

1120

Hon. Michael Gravelle: Twenty years ago, when I was the coordinator for the northern development councils, one of the issues that the members of the councils came up with was the need to move forward on cottage lot development. So you're right: It's been a discussion point and something that people have wanted to move forward on for a long time.

Without me speaking on behalf of any other minister, I think I can tell you that the Minister of Natural Resources has been working very closely with a number of communities regarding some cottage lot development, some within my own riding, so I'm more familiar with it. The fact is that Dr. Rosehart really did hit, so to speak, a hot spot in terms of economic development opportunities. I'm optimistic that a lot of these projects will be able to move forward, and certainly Dr. Rosehart's recommendation is an important one. Again, I don't want to quite frankly put myself in a position of saying what will be in the update that I provide when I'm able to, but this is one that certainly we're seeing some real progress on, in my opinion. Dr. Rosehart's recommendation certainly doesn't hurt in terms of that. But again, Minister

Cansfield would probably be happy to tell you about the support her ministry has offered to communities in particular that are moving forward on cottage lot development.

Mr. Norm Miller: A lot of these recommendations do involve other ministries, and I've spoken to some northern mayors who complain, much as Mr. Bisson was saying, that the Ministry of Northern Development and Mines—this particular mayor I was talking to said that now when they ask questions, he's pointed to those other ministries and he gets the feeling that Northern Development and Mines is not so much the advocate for all of northern Ontario anymore.

Hon. Michael Gravelle: Who's that mayor? I'm going to talk to him.

Mr. Lou Rinaldi: Name names.

Mr. Norm Miller: He shall remain nameless.

Hon. Michael Gravelle: Who was it? You can't name names? Come on. I'd like to talk to that mayor.

Mr. Norm Miller: It was a recent conversation at AMO, is all I can tell you.

Hon. Michael Gravelle: Well, I spoke to a lot of the mayors at AMO too, as you can imagine.

Listen, I understand that municipal leadership obviously wants to continue to move forward—and, boy, I do too—and I think we are, and I guess there can be some frustration. But to be fair, Dr. Rosehart presented his report to me—I think it was March 20 or 21—and we were able to see a number of Dr. Rosehart's key recommendations in the spring budget. I will repeat the one that's very significant: the acceleration of the business education tax rate cut. That's a major part of Dr. Rosehart's recommendations. We're going to see business education tax reductions in 85 northern communities, benefiting more than 30,000 businesses. This was specific to northern communities.

Having said that, I feel I have a very close relationship with the northern communities. I did meet with over 30 delegations at AMO, I've visited as many northern communities as I can, and I think I have a good relationship with the municipal leadership in the communities as a result of the fact that I am advocating on their behalf.

There are other ministries that are significantly involved in the recommendations that Dr. Rosehart made, and it would be wrong-headed of me to suggest that I can tell other ministers what to do, but I'm working with them, and they're working with us as well. As I pointed out earlier, before Dr. Rosehart made his report, we were able to arrange meetings with I think seven or eight different ministers for Dr. Rosehart to have the opportunity to say to the ministers, "Here's where I'm going with your ministry; what do you think?" So I think that was helpful, and as a result, we have those discussions going on with our partner ministries, and we're going to be getting—I don't think I can tell you which ones we're still in discussions with, but we're close to being at the point where we can make a significant update.

Mr. Norm Miller: So on an issue like the aboriginal school system, where he's recommending that the prov-

ince play a greater role—and I would agree with that—is your ministry, then, looking at his recommendations and deciding, “Yes, we like this one. We’re going to advocate for that and we’re going to speak to the Ministry of Education about how we can make it happen?”

Hon. Michael Gravelle: That’s one, may I say, that Dr. Rosehart also identified as being one of his longer-term objectives, and it was really drawing attention to a situation that was very significant. The fact is, that’s a recommendation that indeed needs to be brought to the Ministry of Education, and then there obviously are other—

Mr. Norm Miller: If your position is that you support that, are you going to go to the Ministry of Education—

Hon. Michael Gravelle: I’m working closely with the ministers to move forward on the recommendations that we can. I don’t want here in any public fashion to say that I’m trying to push ministers in one direction or the other. They all care a great deal about the north and they all have significant roles to play in the north. Myself and my northern colleagues I think would tell you this: that the ministers are very, very keen to move forward on positive initiatives for northern Ontario, and I think that that will be the case.

In terms of Dr. Rosehart’s recommendations, some will be moved on more quickly; some already have been moved on, some that we’ve got recommendations—we want to summarize all those. There are more to come. There are some significant recommendations that I’m in a better position to move forward on more quickly, and that’s what we’re going to do. I will continue to work with my partner ministries and the other ministers to see how they respond to them and whether we can make any further announcements. So I’m going to keep working on this, which is, I think, what the northerners would expect of me.

Mr. Norm Miller: On that aboriginal school system recommendation number 15.1.1.—I happen to believe that, for the aboriginal population, education is key if they’re going to improve their quality of life and if things are going to improve for them. Not only that; in your area, I believe, in Thunder Bay, by 2010 or shortly thereafter, it’s forecast that about 50% of the population will be First Nations. Am I correct on that? What’s the date—

Hon. Michael Gravelle: I don’t know that statistic.

Mr. Norm Miller: It’s the not-too-distant future, anyway.

Hon. Michael Gravelle: I would be surprised if it was that quick, but I don’t know. It’s a good thing for us to look into.

Mr. Norm Miller: And as Mr. Bisson pointed out—correctly so—we have this huge skill shortage happening across the province, particularly in northern Ontario, in mining and forestry, so it seems to me that part of the solution to improving the condition of our First Nations aboriginal people is certainly education. I just visited Fort Severn last week, and there sits the primary school—a nice-looking school on the outside, and it’s boarded up

and nobody’s in it. The kids are going to portables down the road where there’s a gravel parking lot that they can park in—

Mr. Gilles Bisson: Welcome to First Nations schools.

Mr. Norm Miller: So there are some pretty basic deficiencies happening in the province of Ontario, and when you go, the answer is, “It’s not the Ontario government’s responsibility; it’s the federal government,” or it’s somebody else. If you want to address, to really improve the position of First Nations, I sincerely believe that education is key, and the province is the expert in education; provinces are. So this recommendation seems to me to make a lot of sense if we want to, down the road—10, 15 years from now, as the aboriginal population increases—have them have a much better quality of life and provide great solutions for the province of Ontario in terms of economic development and the skills shortage that we’re definitely facing. I would hope that the Ministry of Northern Development and Mines would be advocating for—

Hon. Michael Gravelle: I appreciate your comments and I understand, also, just how serious and well-intentioned they are. These are issues of great importance not just to me, but to me as minister and to our ministry, and we’re working—when you have a report like Dr. Rosehart’s, where so much was put into it, so much energy, and there are so many different recommendations, I don’t think it’s unfair to ask us to take a little time, particularly with working with ministries that are specifically part of the recommendations, to bring forward a response. As I say, my goal is to bring forward a response sometime, hopefully, in October.

Ultimately, I think the initial response to Dr. Rosehart’s report was very positive from our government. We managed to implement a number of the key recommendations that were important to him. We are continuing to work on those. We have responses this summer; the Rainy River abattoir announcement is another example of that, and we are going to continue—

Mr. Norm Miller: You’ve managed to plug that one about six times now.

Hon. Michael Gravelle: Well, you asked about it. Aren’t you happy we announced it? I presume you are.

Mr. Norm Miller: Yes, I am.

Hon. Michael Gravelle: Good. It’s a good one.

Mr. Norm Miller: Do I have 30 seconds?

Hon. Michael Gravelle: It’s important—

The Chair (Mr. Tim Hudak): Time for a quick question.

Hon. Michael Gravelle: It’s certainly important to them, to the people in the community, as you know.

1130

The Chair (Mr. Tim Hudak): You have 30 seconds.

Mr. Norm Miller: Okay, 30 seconds. Well, I’ll start with a question I may have to follow up on in the next session. On the apprenticeship regional pilot, he’s recommending tax incentives and tax credits to employers and students to encourage apprenticeship. An issue we’ve raised as the opposition is that an impediment to having

more apprentices actually learning on the job is the ratio of journeymen to apprentices that we have in this province. I think for an electrician you need three journeymen for one apprentice, which seems to me to be ridiculous, and it's out of step with most other jurisdictions. If you went to one to one, it opens up many more spots where young people or whoever's apprenticing can apprentice and help our skills shortage and help them get a job. Is that something the government's going to consider?

The Chair (Mr. Tim Hudak): That does conclude the time, Mr. Miller. Do you want a quick answer, Minister, or do you want to come back to it? Why don't we come back to that later on in the interest of time?

Mr. Norm Miller: Sure.

The Chair (Mr. Tim Hudak): Mr. Bisson, you have 20 minutes for your rotation.

Mr. Gilles Bisson: Thank you very much, Chair. Just carrying on with the ONTC, I'm trying to do this in some sort of organized fashion because there are various arms of the ONTC, or divisions, and I want to make sure that I don't mix the two issues together—so if we can get the same gentleman back up.

We talked earlier about rail services from Moosonee to Cochrane; you've given me some answers on that and are going to work towards getting me some specific answers on a few things that I've asked for. I want to talk now about rail service south of Cochrane, which is the Northlander that runs from Cochrane to Toronto with stops in between. There used to be a time, Minister, when—I'll just wait a minute. You've got a note. That's okay.

Hon. Michael Gravelle: I'm sorry.

Mr. Gilles Bisson: No, I understand. We're all busy, and you've got 10,000 things coming at once, and staff come up to you with a note that might be something in the riding or ministry that's—

Hon. Michael Gravelle: No, they're trying to give me help to give responses to you. I apologize.

Mr. Gilles Bisson: No, that's fine. I understand. We're all busy.

Hon. Michael Gravelle: Okay. We'll start again.

Mr. Gilles Bisson: I was just trying to organize this in some way that we can have sort of a rational discussion about services at the ONTC. Earlier, we talked about services from Moosonee to Cochrane. I want to talk about rail services from Cochrane down to Toronto and I also want to talk about passenger bus services, as well as the issue around freight, because there are some freight issues as well, as you are well aware.

Let's just start with the rail service itself. It just picks up on where we left off before. There used to be a time that the ridership on the rail services from Cochrane to—at that time Timmins was connected. The largest municipality north of North Bay, and the train doesn't go there; it's kind of an anomaly, but that's a whole other discussion. But it used to have a larger ridership. What's happened over the years is that services have been reduced as far as scheduling. We've not kept up the investments we need to make to move the train faster. More

and more, we've been losing riders. Again, it's that downward spiral.

My first question to you is, do you have any plans, as the minister responsible for ONTC, to make some key investments on the rail side of the business for services from Cochrane to Toronto, either on rail bed in order to increase speeds—and what those are? If we can get some specific answers about where some of these investments are going and what you plan on doing in the future, let's start with that one. I'll go to the next one after.

Hon. Michael Gravelle: As you know, we have made specific investments on the rail side. We provide \$11 million in capital for some rehabilitation of the railway lines which was vital to be done, which had to be done. As I say, we are continually in discussions with the ONTC about their needs. Perhaps in these more challenging times in terms of their revenue base, those discussions become even more important. We will continue to have those discussions about what they may need to be able to do, and hopefully they can find a way to make those improvements. Again, this is to some degree a follow-up on our conversation earlier this morning, but we will continue to work with the ONTC board and with the commission on how we can continue to support them. I believe that our support has been strong and will continue to be strong. I would think that's what you would expect us to continue to do with them.

Mr. Gilles Bisson: Okay, I'll try the question another way. Can you give this committee a list of the investments this year that were made on the capital side of the rail services—as far as the investments? We know that there's \$46 million that was given this year; \$21 million of that is operational and the rest of it is capital. I'd like to have a list of where exactly those monies were invested. What part of the trackage was fixed? What part of the equipment was replaced or maintained? Do you have that now?

Mr. Tom Marcolini: No. We'll undertake to get that. Some of that information we have, the number of ties and that sort of thing—

The Chair (Mr. Tim Hudak): Are you talking about the past fiscal year, Mr. Bisson?

Mr. Gilles Bisson: For this current fiscal year.

The Chair (Mr. Tim Hudak): Their planned expenditure?

Mr. Gilles Bisson: There are two parts to this question. I want the list of where the money went for what was in this year's budget, and then what the plans are on the part of the ONTC or the ministry for other key investments in rail services for the upcoming years. I don't know what their plan is. They have a five-year capital plan, I believe.

Mr. Tom Marcolini: That's going to be developed as part of their 2009-10 business plan, which will of course be submitted to us for discussion with central—

Mr. Gilles Bisson: So if we can get a copy of the capital plan for rail services from Moosonee down to Toronto—well, we don't own the track south of North Bay; that's a whole other story. But there are trackage

repairs that need to be done, as well as the track that runs from, I guess, Cochrane up to Hearst. I look at that freight train going up that rail—has anybody seen that thing? You can run faster than that train. The trackage is so bad that I can literally stop my truck and, in my shape, race and beat that train.

Mr. Norm Miller: You can?

Mr. Gilles Bisson: The minister and I could do it together. We can be a tag team.

Hon. Michael Gravelle: You're in much better shape now, Gilles.

Mr. Gilles Bisson: I've lost a bit of weight. I'm just saying, it's in pretty bad shape. I understand that they're going slow because if they went any faster the train would jump off the rail, and that would be a problem. The freight services that come from Constance Lake, the Lecours mill, all the way down to Cochrane are fairly slow.

So, my specific question: What investments are being made, capital-wise, this year toward the ONTC rail services, rail bed and equipment? And what are their planned investments for the next number of years, total? What are they, specifically? That's what I'm looking for.

Hon. Michael Gravelle: We'll get you whatever we can.

Mr. Gilles Bisson: It just comes now to the point that I want to make, which is that it seems to many people—mayors, chiefs, business leaders, labour councils, everybody who's involved—that we need some key investments made on the rail side if we're going to make it viable so that we can get the ridership that we need.

Currently, for example, if you live in the city of Timmins and you want to take the train, well, the train doesn't come to Timmins. It's only a city of 50,000 people. Why would you have the train come there? We understand the history behind it. It was cancelled under the Peterson government and hasn't been put back since, so we can all take shared, collective responsibility for not having taken it back to Timmins. But my point is, if you want to take the train to Toronto, it's becoming more and more difficult for people to do so. If you live in Timmins, you've got to go down to Matheson to catch the train. If you live in many communities in between points such as Cochrane and Matheson and Kirkland Lake, you've got to travel a distance before you get the train. Then, if you get on it, the big question is, will it get to North Bay and Toronto on time? Because often there are breakdowns. Clearly, we've got a problem when it comes to equipment being able to run the train according to a proper schedule. If investments aren't made on the trackage in order to get the speeds up—it's becoming longer and longer to get there, so people are saying, "Well, I'll hitch a ride with my neighbour," or they'll pay, like I did yesterday, \$1,400 for a return ticket from Timmins to Toronto on Air Ontario; so much for competition, I guess. It's becoming more and more of a problem, because for somebody like me, the train doesn't work because it's way too long. But if we were to do key investments on the train to reduce the amount of time it

takes to get from point A to point B and provide better services on the trains as far as cellular coverage, computer hookups and stuff like that, people like me might take the train, and others who need to get to points in between may be more willing to take it.

My question to you is, what are you prepared to do as minister in order to work with the ONTC and cabinet in order to make those investments that are necessary to get ridership up?

Hon. Michael Gravelle: We are going to continue to work with them; I can promise you that. We made a real commitment. As you've pointed out, the previous government was quite prepared to let the ONTC go into private hands. We made a determination that we were going to support it, and we have. It's important to us. It's a great economic development tool in terms of the north. I think our commitment has been there. We have seen improvements in a number of the areas that are significant in terms of maintaining the ONTC's viability.

We know that you're going to be talking about the motorcoach system, the bus system, as well. I know they've added seven new coaches to the fleet. They are modernizing that system. We do recognize that as a result of the railway ties and the infrastructure improvements that are being made, there are some challenges in terms of the schedule. It's a bit like the chicken-and-egg thing. It's certainly a bit like highway construction as well: We want to get the highway fixed but then are irritated by the construction slowdowns on the highway. That's probably just human nature. So the infrastructure investment, the investment in terms of the capital improvements, has been made, but that in and of itself, I think—did you say, Tom, in terms of the capital program, in terms of the rail line improvements, that it will be three years before they are completed?

1140

Mr. Tom Marcolini: Well, some of the work on the major bridges on the Moosonee line will be, if not longer; five years, perhaps.

Hon. Michael Gravelle: The long and the short is, we've made clear our commitment to the ONTC. I think we've made significant investments in terms of the subsidy. We certainly will try to get you all the information you asked for, as well. We'll continue and certainly, as minister, I'll continue to work closely with the ONTC.

Mr. Gilles Bisson: But my question to you is, do you, as minister, and your ministry or political staff have any plans to put forward a vision of what needs to happen with the ONTC on the rail side in order to bring ridership up? Or are you just leaving that to the ONTC at this point?

Hon. Michael Gravelle: Tom, do you feel comfortable speaking to this?

Mr. Tom Marcolini: The ONTC prepares a business plan on an annual basis, and they'll be submitting that to us. We take that into consideration as part of our business planning process in central agencies—

Mr. Gilles Bisson: I understand that part. But the minister is also responsible for giving some vision and

some direction to the ONTC. My question is, as much as the ONTC have a plan, which is basically survival at this point because of all of the problems that they have vis-à-vis fuel costs and the rest of it, what are your plans, as minister, toward developing a transportation policy that increases the ONTC rail services?

Hon. Michael Gravelle: We want the services that are provided by the ONTC to be not just viable but also, obviously, to be as attractive as possible to people. So we are part of those discussions. The process does work. It is an independent commission. They do come to us with a business plan. We certainly have our discussions with them about how we'd like to see them moving forward as well, in terms of helping them improve their services. So I think that's the role that we do play, and it's an important role.

Obviously, we have a significant relationship with them as a result of the support we give on a financial basis, and we therefore have our opinions on how we think things should move forward. I will have discussions, certainly, with the chair of the commission on a variety of issues. The long and the short is that we'd like to see the operation be as viable as possible. Obviously, we'd like to see it be more attractive to customers. There are a lot of challenges and we're trying to deal with them.

Mr. Gilles Bisson: How often do you meet with the ONTC board, just out of curiosity?

Hon. Michael Gravelle: Actually, I haven't had an opportunity to meet with them yet. I've spoken to the chair and the CEO on more than—

Mr. Gilles Bisson: Is there some plan for a mechanism where there is regular contact with the board so that you can talk about what your vision is and they can talk about what's needed?

Hon. Michael Gravelle: Yes.

Mr. Tom Marcolini: We have ministry staff people who liaise with the ONTC on a regular basis, attend the commission meetings.

Mr. Gilles Bisson: But I was asking about the ministry.

Mr. Tom Marcolini: Oh, I thought you meant the ministry.

Mr. Gilles Bisson: No; the minister.

Hon. Michael Gravelle: I keep in close touch with the chair. I'm sure there will be an opportunity to meet with the board and the commission. I am well briefed on what happens as a result of the staff involvement in the commission. I'm feeling well connected to the ONTC and certainly very, very committed to it.

Mr. Gilles Bisson: Before I get to the next issue—this is just a comment; you don't need to respond—people are looking for the ONTC to be given the go-ahead that they can start planning toward increasing services. That can't happen, quite frankly, without some leadership from the government as far as, we're prepared to do our part to make the key investment in the subsidy to make that happen. We're in the situation where we have lost so many riders, both on the train and on the bus—well, bus services less so. I'm going to talk about that later,

because bus services, I would argue, in some cases are probably doing better than they did before, from the calls that I've had from constituents. Specifically, on the train, we've been losing riders, and that is because of scheduling, because of the amount of time it takes, because the train doesn't run on time sometimes; it tends to break down on a regular basis. What community leaders are looking for is a signal from this government that you're prepared to make some long-term commitments, and that's something I would ask you to consider.

Let me just get to the last part of the real question I want to ask, and that's freight, because I've only got about five minutes. You've talked about it and Mr. Miller from the Conservative Party talked about it earlier, and so did I, and that's the state of the forest industry vis-à-vis what has happened just generally. I don't need to go into who is to blame for what; there's enough collective blame to go around as far as where the industry sits today. But what is clear, as I sit down with companies like Tembec, Lecours Lumber, Falconbridge and others—they're all sort of ringing the same bell: Because there's less freight on the rail services because there's less timber, it has made it less economical. The numbers are down, so they've got to make it up somewhere. So what does the ONTC do? Raise the rates. They raise the rates on an industry that's already hurting. You talk to the people at Tembec, talk to other people who use the ONTC rail services to move freight; it's getting to be pretty difficult as far as price. It's one of those things that is starting to be a cost pressure for a lot of these companies that are just borderline. I met with Terry Skiffington and the rest of his crew earlier this summer, in July, and that was one of the things that they rang loudly as a bell: "The ONTC is starting to become a problem when it comes to cost. The prices are going up and it's making it more and more difficult for us to stay afloat."

Again, are there any plans on your part, as minister, or your ministry to review freight services within the rail service so that we can look at a more competitive rate so that we can assist this industry that's, quite frankly, hurting a whole lot these days?

Hon. Michael Gravelle: I think it's probably fair to say that the ONTC people are, if not listening, conscious of this process going on today and they'll be listening to what you have to say and your concerns that are being expressed, and I think that's much appreciated by all of us. Again, I will make a point of making sure that I convey these concerns to the ONTC, certainly to the chair. The ONTC is an independent commission. They make what I think they would describe as the best decisions they can make in light of the challenges they face. I think that's an accurate way of describing the process, and it's how it should unfold.

Having said that, I appreciate that you've been quite fairly pressing me on this. Certainly, I want to convey to them the concerns that are being expressed by you. I know you're someone who is very conscious of the value of the ONTC. I'll make sure that I do convey that.

Mr. Gilles Bisson: I would only argue with you on this point: Yes, the ONTC has their own board and they make their own internal decisions, but we can't just leave it to them. They need to get some direction from the government that says, "We want you to move toward a plan. Give us a plan of what needs to be done in order to make this system more competitive and provide the services that people need."

I just want to end on this, because I think I've only got about two minutes left—

The Chair (Mr. Tim Hudak): Three.

Mr. Gilles Bisson: Three minutes left. I'm just going to end on this. It's been a perfect storm in the forestry sector. You know as well as I do. You represent a constituency, like I do, that has been severely affected. Entire communities have lost their only employers—Opasatika, Smooth Rock Falls; you've had some on your end.

Hon. Michael Gravelle: Yes.

Mr. Gilles Bisson: It's not easy to see when you go see your constituents who are no longer working or having to move in order to get work somewhere else. That perfect storm includes what has happened at the ONTC. All I'm saying is that for those that are still standing and operating—the Lecours of this world, the Kap mill, Abitibi and others—that use the ONTC, it's yet another nail in the coffin in an industry that is just barely hanging on. The Kap mill, as you know, is a little bit cash-positive these days, but not without a whole whack of things that they've had to do to get there. Freight rates going up just make it all that much more difficult, and it may not be the entire problem but it's certainly part of the problem. So I just want to impress on you that we need to use the tools that we have as government in order to assist industry to weather this storm and to strengthen itself to be the industry that it could be. You would know the story of Lecours because you partly responded to the issue that we had up at Constance Lake. Those tracks were a huge problem. There was a decision to be made that they were going to stop sending the train up to Constance Lake from Hearst, which is only about 25 or 30 miles. But to do so would shut down that mill. Your government understood, and I give you some credit, that it has tools it could use in order to help industry. So you made some investments on that Constance Lake line in order to assist Lecours.

Quickly, in the last minute you have: Where is that at as far as that investment? When are they looking at construction cycles to be over?

Mr. Tom Marcolini: That project was completed at \$2.5 million.

Mr. Gilles Bisson: Yes, but there was another part to it, I understood. They were going to do some other work. There was some talk about that.

Mr. Tom Marcolini: There may be some other upgrades to the balance of the line, but the Pagwa subdivision itself was reconstructed at a cost of \$2.5 million.
1150

Mr. Gilles Bisson: And I just end on this point: That's, to me, a good investment. That's where govern-

ment says, "We're going to use some of the taxpayers' dollars to invest in our infrastructure so that we can help industry to maintain some 100-plus jobs in Constance Lake." That's the kind of leadership that we need; unfortunately, it's in dribs and drabs. The Lecours thing took council, Constance Lake First Nation, Lecours Lumber, myself and a whole bunch of people ringing the bell, till finally the minister said, "Whoa, I've got a problem. I've got to fix this," and the minister responded. So we thank you for that, but we always say that there's a whole whack more that needs to be done at the ONTC.

The Chair (Mr. Tim Hudak): That will conclude the time, Mr. Bisson. Thank you very much. We now go to the government—

Mr. Gilles Bisson: Here I say a nice thing and he doesn't even let you respond.

The Chair (Mr. Tim Hudak): I didn't see it as a question.

Mr. Gilles Bisson: No, it wasn't a question; it was a statement. Just going after you, Chair.

The Chair (Mr. Tim Hudak): We'll now go to the government members. I think, in the interest of time, we'll do 10 minutes from the government members and then we'll resume after lunch the subsequent 10 minutes. Mr. Rinaldi.

Mr. Lou Rinaldi: Welcome, Minister. Finally, we get a chance to speak on this side of the room, and they're going to cut us short 10 minutes.

Hon. Michael Gravelle: Great to hear you, though, finally.

Mr. Lou Rinaldi: But anyway, we're going to continue after lunch.

Hon. Michael Gravelle: Yes.

Mr. Lou Rinaldi: I'm delighted to be here this morning, but I'm just hoping that as chair of the eastern Ontario caucus, some of my mayors are not watching this today, because they won't have parity with the north, so I have a lot of explaining to do. I know there are some challenges in the north, but we are working towards that.

We've had some successes, and certainly there are challenges across the province—and not just in Ontario but probably North America and the world, in some cases. But one of the successes that I think we've been innovative about is in the mining industry. It's one of those industries that's certainly pulled up its socks, so we're fortunate that that piece has grown in Ontario. I know that you were at the opening of the De Beers Victor diamond mine in July, and I wonder, for the committee, if you can relay what some of the opening remarks were or what some of the atmosphere was towards not just the De Beers piece but the whole mining industry in the north.

Hon. Michael Gravelle: I appreciate the question too, because it was great to be at the opening ceremonies. As I think I mentioned earlier, at least briefly, it was a very moving ceremony in terms of the community getting so involved in the opening ceremonies and the very genuine feelings that were led by the ownership group that was there as well. It was tremendous.

What's really positive about it too is that I think it's fair to say that, as a result of the success—it took a long time to get there and it cost a lot of money to make it happen—of the Victor mine, there is a renewed interest in diamond exploration in the province of Ontario. I think there are actually about 25 different exploration projects going on across the province, largely in the north, so you'll contain your envy in terms of our opportunities. And I do think that actually the Victor diamond mine project really helped stimulate that, plus, of course, the fact that the quality of the diamonds at the Victor mine are of a remarkably high quality.

Before I was at the opening, I managed to get up to the mine I think in late May for my first tour of the mine, and it's a remarkable process. You look at the beginning of the day, in essence—I don't want to simplify it too much, but it's the way that I remember this, actually—you begin basically with 80,000 tonnes of rock that goes through a processing system of bringing it down, and at the end of the day, that ends up being on a plate. Have you been up there, Mr. Miller, to the mine yet?

Mr. Norm Miller: I've been to Attawapiskat.

Hon. Michael Gravelle: But you haven't been to the mine?

Mr. Norm Miller: Not to the mine site.

Hon. Michael Gravelle: Anyway, at the end of the day, it's a plate of 2,000 carats of diamonds from this particular production. It's quite remarkable. So I think what the De Beers people believe is that they will get about 2,000 carats a day, 600,000 carats a year—really, really high quality.

And the good thing about the relationship that we've developed with De Beers too—I'm very impressed with the impact benefit agreements that were signed; I'm incredibly impressed with the fact that they continued to have a real high percentage of First Nation members who were working with them in key positions; also, the fact that we have been able to sign an agreement to get 10% of the stones that are mined from there—10% in terms of value—to be kept for cutting and polishing in the province of Ontario. I was in London, England, actually, to help open up the competition for that, and that's very exciting. There are some real opportunities. This is the opportunity—because we don't have a cutting and polishing industry—for a new industry in the province of Ontario. So the whole De Beers Victor mine experience has been great.

It has also, I think, been a pretty good example of best practices in the mining sector for how you can—I've spoken to De Beers people about this and I've spoken to the First Nations communities—there was no moving forward until there was an impact benefit agreement with the First Nations. That becomes like a model for how things can be done. Nothing's perfect—I think there are still discussions around it—but the fact is that this is the key to the success. It was a wonderful experience being there and it's something that we'll continue to see some results from for years to come. There may be some other opportunities that are near the present mine site that

could extend the life of the mine as well—we'll see how that works out.

Mr. Lou Rinaldi: Minister, I know that, on the same tune with the mining industry, we do have an Ontario mineral development strategy in place. Can you outline how some of those investments are contributing—the investment through your ministry?

Hon. Michael Gravelle: It's something that we're really proud to speak about and perhaps don't get an opportunity often enough, so having the opportunity at estimates committee is great. What we believe in terms of the Ontario mineral development strategy is that it will enhance the province's position as one of the world's best mining jurisdictions—I think it does—and it will support sustainable mineral development and stewardship that we think will benefit all Ontarians. There are four key objectives: We want to promote the long-term sustainability and competitiveness of Ontario's mineral sector; it's important to support safe, modern and environmentally sound mining—we know how important that is; and we want to clarify and modernize Ontario's mineral resource stewardship and promote community development and co-operation with people.

It was the industry that identified the need for our Ontario-specific mining strategy, and I think that through the strategy we're responding to the changing needs of the industry itself. Some of the key initiatives that came out of this include, I think, \$15 million over three years for geological mapping in the far north, which is very vital. We developed one-stop Internet access points to provincial geoscience and mineral exploration data—again, very vital in the mining world. We developed information on the regulatory process for mineral development projects, so this was really important.

Of course, in our 2006 budget, even though we'd already spent significant dollars on abandoned mines rehabilitation, we committed to our first-ever long-term funding of abandoned mines with a \$60-million investment over six years. Going back to 1999, we've announced \$118 million in funding for abandoned mines rehabilitation. These are all good things.

There's the Centre for Excellence in Mining Innovation at Laurentian University—we're excited about that—\$10 million. We had great support from the industry on that as well. We'd sure like to see federal government support for that project—that's been, perhaps, the one disappointment in the launch of CEMI, as we call it. Our support is there, and the support of the mining sector—particularly Vale Inco and Xstrata, and many others—has been incredibly strong—significant dollars for that, but we would like to see the federal government. We think that they should play a major role.

There's more to talk about, but I appreciate the opportunity.

Mr. Lou Rinaldi: Chair, we're very close to 12, and I won't engage in other questions.

The Chair (Mr. Tim Hudak): Okay. Then we will break at this point in time. Members of the committee, the room will be locked, with the exception of the

catering service coming in to refresh the coffee and such. You're welcome to leave documents behind. We'll resume after lunch at 1 p.m., with remaining time to the government members.

The committee recessed from 1158 to 1309.

The Clerk of the Committee (Ms. Sylvia Przedziecki): Members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

Mr. Norm Miller: I nominate Kim Craiton.

The Clerk of the Committee (Ms. Sylvia Przedziecki): Does the member accept the nomination?

The Acting Chair (Mr. Kim Craiton): Thank you very much.

We'll resume the committee hearings with the government side continuing on with their questions. You have 10 minutes and one second left.

Mr. Lou Rinaldi: And you'll ring the bell and let me know when I've got one second left? Thank you, Mr. Chair. We will continue.

Minister, I want to continue with your responsibilities in the mining sector, because I do think that it's a really new industry that, as you mentioned, not only will benefit the north, but with some of the other related activities—and when you have Toronto as being sort of the heart of that particular industry from a financial perspective, it really does impact the whole province, although those resources are from the north.

To carry on with that, Minister, can you elaborate on the \$15-million far north geological mapping initiative? What results have you seen and what investments are there now since we created that? What do you foresee in the future as well?

Hon. Michael Gravelle: Thank you very much for the question; I appreciate it. There's no question that when one looks at Ontario's far north, there is tremendous untapped economic potential in the form of undeveloped mineral and non-renewable energy resources. I think part of the challenge for that is to find the resources to do the mapping, which is why we were so pleased—I think it was in the 2005 budget—that we announced \$15 million over three years for geological mapping in the far north to attract mineral investment and build relationships with First Nations communities, particularly remote First Nations communities, to help them see some of the opportunities that are there. Geological mapping, in essence, helps to identify areas of higher mineral potential. Obviously, when we're talking about the far north, we're talking about a huge land mass, but certainly by doing the geological mapping, you can have the economic opportunity to enhance northern prosperity by encouraging mineral sector investment, by identifying those possibilities. That investment is going to open up the possibility for First Nations to have future jobs, for spinoff business opportunities, for partnerships in private sector economic activities. So we think this is pretty important.

It also is very significant in terms of land-use planning decisions and other decisions that will be of great benefit once you know the geology of the land and the mineral energy possibilities. This will now have real significance.

We were pleased with the Premier three years ago, but we've moved forward on it and done the best we can with it. It will help us as we move forward with the protection of the 225,000 square kilometres that Premier McGuinty announced with the far north land use planning initiative. I think he announced it on July 14, and I was there with him. We certainly recognize that there's going to be a lot of work to be done to identify the potential areas for the highest mineral development.

In terms of the actual geological mapping process in the far north, our ministry engaged and consulted with a number of First Nations—there were four particular aboriginal communities: Webequie, Slate Falls, North Spirit Lake, and Pikangikum—whose traditional areas lie within that particular geographical study area. It helps us understand better and be more aware of the role and the responsibilities of our ministry in terms of that—the mineral industry itself, the mineral exploration activities, business and employment options in the mineral sector. So this is helpful to us, and we think it's of benefit to the First Nations, and we're very pleased that we've developed these very special relationships with these communities as well as many others.

The long and the short, if I may, because I don't want to take too much time with this to give you more opportunities for questions, is that this is going to begin to address the geological gap that's in the far north, and we're very excited about that.

Mr. Lou Rinaldi: Once again, staying with that tone, part of our 2008 budget was \$20 million for geoscience mapping over the next four years. Can you give us some idea of the importance of that?

Hon. Michael Gravelle: It certainly does follow on your question, and I appreciate that. This is, may I say, one thing that was also strongly recommended by Dr. Rosehart in his report. He recognized that the public information, the geoscience data and the knowledge, is something that will, quite frankly, directly attract mineral investment in Ontario because you'll basically promote the mineral resource endowment and the mineral investment opportunities. One of the exciting things about every time we spend money: Each \$1-million government investment in geological survey mapping triggers about \$5 million of private-sector mineral exploration investment. That's obviously a pretty good investment. Again, I made reference to it in the previous question you asked me, but this is very valuable in terms of the land-use planning process, source water production, the impacts of climate change, which is certainly one of the key reasons why Premier McGuinty made the announcement he made regarding far north land-use planning. Certainly, we can look at the prediction of some non-renewable energy potential as well. I can tell you that the Thunder Bay Chamber of Commerce is on board with this as well. They recently identified geoscience mapping as a top priority, certainly in northeastern Ontario. We've identified the northeast with the mining sector for a long time now, I think for pretty obvious reasons to everyone.

What's happening in northwestern Ontario is that that potential is now being seen there. Quite frankly, as a result of the challenges facing the forestry sector, there's tremendous excitement about these opportunities for mining in northwestern Ontario as we're seeing mines that have been closed down for some time reopen. Most significantly, we're seeing, with this geological mapping and the dollars being put into it, more opportunities developing as well. This is something that we're excited and very pleased about, and clearly it was a very positive part of the 2008 budget, which I think, again—regardless of party politics, everyone in the north, as a northern member, let alone everyone in the province, would support this. So it's a very important announcement that was made, and I'm really excited about it.

Mr. Lou Rinaldi: Thank you, Chair, do I have any more time?

The Chair (Mr. Tim Hudak): You have about five minutes left.

Mr. Lou Rinaldi: Thank you, Chair. Minister, I'm going to change the discussion a little bit. I know in your opening remarks you talked about the rehabilitation of abandoned mines. I know that even in some places in southern Ontario we have some issues, and the challenges faced with those issues. Can you give us some insight on where we are with the whole process and maybe a little bit more detail than your opening remarks?

Hon. Michael Gravelle: It's a very important subject and, again, I'm grateful that you've brought it up. Certainly I've had an opportunity to make reference to it, but it's very important. Ultimately, the goal of my ministry in terms of the abandoned mines rehabilitation program is to ensure that there is public safety. Public safety needs to be protected. Toxic emissions to the environment need to be eliminated, if not greatly reduced. That's the goal of this, which is why I am so proud of our government's commitment.

As I think I mentioned, but I'll mention again, if I may, our government committed almost \$90 million to the abandoned mines rehabilitation program since 2003. Between 2003 and 2006, we invested \$30 million, but in our 2006 budget we made a long-term commitment of a \$60-million investment over six years, so there's a commitment every year to funding for this. This is certainly a first by government but I think again something that transcends politics in the sense that I think everyone does agree with it. We are pleased that that commitment will remain in place. The fact is, it's a big job. There are a lot of abandoned mines. I think we can—

Mr. Gilles Bisson: At Kam Kotia, you've been doing a great job.

Hon. Michael Gravelle: Thank you very much. We have support from Mr. Bisson here for the job that we're doing. He'll be also one of the first to agree that years ago, I think the mining sector perhaps did not always operate on the best of procedures. Our governments of the day have since put in mine closure requirements which are absolutely vital and I think are very positive, but up to a certain point I think there were a number of

mine operations that were left without being cleaned up properly. Quite frankly, I think most people will be even surprised by the number. There are approximately 5,700 abandoned mine sites located within the province of Ontario. Of those 5,700 mine sites, there are about 16,400 mine features. I guess that probably means different shafts and everything else in mines. Mine features range from simple, open-exploration trenches or pits to deep, unprotected shafts—and, of course, the reality of tailing.

1320

We acknowledge our responsibility as well, which is why we're so committed to this, because about 30% to 40% of Ontario's abandoned mine sites are located on crown land. The remainder are located on private land or municipal land, but we recognize that there's a need to do it also. What my ministry has done—and my ministry does a remarkable job, and that's why we're so grateful for the financial resources—is undertaken a priority ranking of sites contained in the abandoned mines information system, in accordance with recommendations that were provided by the Provincial Auditor. The ranking system considers public health and safety and the environment—this is used in identifying projects on a priority basis for rehabilitation.

We want to move forward on this. We've got all kinds of examples. The Kam Kotia site, which I mentioned earlier, is probably the one that needed and needs the most work and perhaps one of the strongest examples of a mine site that needed rehabilitation, but one we're also most proud of. I think I mentioned earlier that I was there with the Environmental Commissioner and the president of the Ontario Mining Association, Chris Hodgson, when we were able to announce the continued cleanup of that. So it's good news and it's support that we're very grateful to receive. It's obviously very important, and if I had more time—I suspect I don't—I could go down all the sites, which I'm sure you'd like to see. It really is a pretty long list, but an important one.

Maybe I'll finish, if I may, by just repeating the remarks of Gordon Miller, the Environmental Commissioner—it won't take long.

The Chair (Mr. Tim Hudak): Well, you know what? There's 10 seconds left.

Hon. Michael Gravelle: "The initiative to clean up the Kam Kotia environmental legacy represents a refreshing model of leadership in environmental stewardship for the mining industry. I look forward to a new era of partnerships between government and industry." Fine praise from the Environmental Commissioner.

The Chair (Mr. Tim Hudak): Thank you very much, Minister and Mr. Rinaldi.

Members of the committee, my apologies for any lost track of time. Thanks, Mr. Craitor, for restarting committee. I'm sorry that I've knocked us back a bit.

We now will go into another 20-minute rotation. Just so members can prepare their questions, we're going to do a full 20-minute rotation of all three parties, followed by a 16-minute rotation for all three parties. That will divide up our remaining time equally among the three.

That will see us ending at approximately 3:20 or so with the clock this afternoon, if we continue to go smoothly.

So Mr. Miller, you have your 20-minute segment, and then you'll have a 16 the next time around.

Mr. Norm Miller: I'd like to begin where I last left off, and that was where I was asking about Dr. Rosehart's recommendations to do with the apprenticeship regional pilot program, but specifically about the official opposition's questions that we've been asking in the Legislature to do with ratios of apprentices to journeymen that they have to work under.

As has been pointed out, it's different with different trades, but I believe that with an electrician, for example, you require three journeymen for one apprentice, whereas in most other jurisdictions for most trades, it's one to one. Obviously a one-to-one ratio means there are more apprentices available to be learning their skill and more places available for them to learn, so that would seem to be an easy way to get more people actively working as apprentices and hoping to fill our skilled labour shortage. I'm wondering if the government is planning to change those ratio requirements.

Hon. Michael Gravelle: We announced, I think, last spring that we were reviewing whether to expand compulsory certification for skilled trades where certification was currently voluntary. We asked Tim Armstrong, who is a public policy adviser and legal counsel, to lead the compulsory certification review. He brings a great deal of public policy experience in apprenticeship trades and labour relations. He did submit his report to the provincial advisory and industrial committees, which are also an important part of this discussion, as I'm sure you'd agree.

The committees are comprised of employees and employers. They regularly review the ratio issue, which is established for each of their trades. The advisory committees themselves are providing advice to the government about various aspects of their trade, including the ratios. Our government, I think, has been in touch with the provincial advisory committees asking them to review those trade ratios. Certainly Dr. Rosehart's recommendation ties very much into that and we're looking at it. Our commitment is to continue to work with the industry advisory committees and to seek their advice and get their advice on it, in tandem with what Dr. Rosehart has recommended as well.

I'm sure you're familiar with the announcement, as well, that the Premier made at Confederation College. I was just given the release over lunchtime. It was a \$9.5-million announcement, investing in colleges and expanded programs for new careers as welders, miners and construction workers. Certainly this was a substantial announcement to bring more apprentices into position. We're doing that as well. So we're working on this in a multifaceted way, if I may say so, and Dr. Rosehart's recommendations are much appreciated and will be part of what we move forward on.

Mr. Norm Miller: It's great that you are investing in Confederation College and its programs but they still

need somebody to work under and I would suggest perhaps the committees have a bias in this whole arrangement. Maybe that's why we have ratios that are out of step with many other jurisdictions. Perhaps there's too much union bias or company bias, I'm not sure, but I suspect that might be part of the problem as to why we haven't easily moved to what would seem to be a more logical position.

Hon. Michael Gravelle: I hope we're moving in that direction.

Mr. Norm Miller: I leave that for you to think about.

Hon. Michael Gravelle: Okay.

Mr. Norm Miller: I have a question following up on Mr. Bisson's question to do with the ONTC and some of the services they provide. I've just received a letter dated September 2 about recently announced ONTC bus service cuts. In the letter it's pointed out that "presently Timmins to Thunder Bay is under 11 hours and costs \$150; after October 1"—after these cuts go into place—"it will be over 23 hours via Sudbury and Sault Ste. Marie and cost \$236."

Can you tell me why you're making cuts to ONTC bus service?

Hon. Michael Gravelle: I have just received a copy of this letter as well. I haven't actually had an opportunity to see it. I think it just came in yesterday. We did have a good discussion this morning about the challenges that are facing the ONTC in terms of extra costs, in terms of fuel costs and other challenges related to maintaining their level of services. I will be responding to this letter from—who signed it?—from Mr. Wentzell at some point. Again, we are going to be conveying your interest and our interest in maintaining the best service possible and I know they're going to make the best decisions they can.

Mr. Norm Miller: In this same letter from Tony Wentzell, another point he makes is that for some of the smaller places there are no longer ticket services available, that in fact the passengers would have no way of knowing they can actually get off at those places. A couple are actually mentioned that are in my riding of Parry Sound—Muskoka, being Byng Inlet Road and Pickerel River Road, both First Nation communities. You cannot buy a ticket to there, although passengers still travel to these communities and they drop off and pick up at these locations.

Would it not be logical to let the public who are going to use these services know they can actually get off at these spots? Obviously it's important to the people in Byng Inlet—

Interjection.

Mr. Norm Miller: Pardon?

Mr. Gilles Bisson: What a novel idea.

Mr. Norm Miller: It's obviously important to Mr. Bisson, who just interjected that people in Byng Inlet and Pickerel River would want to know that they can actually get off at those locations.

Hon. Michael Gravelle: Again, I've barely had an opportunity to look at the letter and I do appreciate and

will certainly take it seriously. We will be speaking to the ONTC about this. When there are specific concerns about very specific decisions made about service, we are not necessarily going to be involved in those decisions. However, I recognize that the goal is to maintain if not enhance service and I think that clearly is the goal of the ONTC as well. With the challenges they are facing, it's making that a little more difficult perhaps to attain. But the long and short is that I will certainly take your comments as well—we'll have an opportunity, perhaps later, when Mr. Bisson asks me some questions. I've got some more information we want to pass on based on this morning's questions.

1330

Mr. Norm Miller: Mr. Bisson was talking about basically spiralling downward in terms of service. He spoke specifically about the rail service south of Cochrane that I believe goes right into Toronto and goes right through my riding. I would certainly agree that there's got to be at least a basic minimum level of passenger service for it to actually have a hope of working. Certainly, in the case of Toronto to Muskoka, that's a relatively short distance and there's, I would argue, quite a population of people who would use that service if there was any regularity to it at all and if the schedule made any sense at all. It is very limited right now. I think there's one trip a day and it doesn't run on one particular day and the timing doesn't necessarily work for people. So you have to be very determined to use the rail to actually be able to use it. In a perfect world, if there weren't other considerations, I would argue that if you had four trips a day from Muskoka to Toronto and they ran on time—because that's another complaint I hear a lot about. You go to use the service and then it ends up being an hour and a half late, or they send a bus because there's some problem with the rail, or the freight is using the rails, or something happens. But in a perfect world, if you had four trains a day going to Muskoka and they were on time, I bet they'd be full and they'd probably be reasonably profitable. So it's kind of like what Mr. Bisson is saying, that if you take service away and it's less reliable, less people want to use the service.

Hon. Michael Gravelle: I will certainly share those thoughts with the ONTC board, and I would encourage you to do the same thing if you haven't already. I'm sure that would be very much appreciated by them.

Mr. Norm Miller: Let's go to a question to do with the northern Ontario heritage fund. Did the government not make an announcement that you were increasing the budget of the northern Ontario heritage fund to \$100 million a year?

Hon. Michael Gravelle: We are very, very pleased with the commitment to reach \$100 million by 2010-11. The commitment begins with our \$10-million increase in this year's budget. So we now are at \$70 million for the heritage fund and we're very pleased about that—

Mr. Norm Miller: So it's \$70 million. I guess I'm on the wrong page. So, for 2008-09—correct me if I'm wrong—you've got \$34 million. I assume that's operating?

Mr. Kevin Costante: Yes.

Mr. Norm Miller: And \$35.5 million is capital, then? Is that correct?

Hon. Michael Gravelle: Yes.

Mr. Norm Miller: And that's the \$70 million that you're talking about, then?

Hon. Michael Gravelle: Yes.

Mr. Norm Miller: And that's an increase of \$10 million. I had just seen the \$100 million in a press release I got. I thought that was immediate, but it's not till 2011-12?

Hon. Michael Gravelle: That is correct. The commitment is to increase the funding by \$10 million per year. So it would be at \$70 million this year, and then \$80 million, \$90 million, \$100 million. By 2010-11, we get to \$100 million. So, where are we at? We're at 2008-09, so we'll be moving to \$80 million.

Mr. Norm Miller: How do you measure whether the money that's being spent is actually accomplishing what it should be accomplishing? Because I did have, in informal discussions with the municipal people at AMO, some of them telling me after—they had various perceptions. They thought it was just a slush fund. Those were their words, not mine. Investing in projects isn't necessarily successful, and they listed off a few of them to me that are now challenges for communities. I heard you say that 10,000 jobs were created. How do you measure those 10,000 jobs, or how do you know if—

Hon. Michael Gravelle: We have various programs, of course. We basically redefined the fund in 2004-05 after we formed the government. We wanted to bring it back so that private sector job creation would also be one of the programs that we could fund. We have our Enterprises North job creation program, we have our emerging technology program, we have our youth entrepreneur program and our interns and co-op program. We're very pleased. We're looking, may I say, at other options for how we can use the fund based on some of the recommendations we're hearing from the board and from others, Dr. Rosehart included. The fact is that applications come in from municipalities, from other corporations, from businesses, from individuals as well, and they're assessed. In terms of the way that we calculate the value of the program, due diligence takes place for each application. Each application is certainly treated equally and seriously. They come in from all across the north. Once we have the application approved and funded, we then also have our ministry people go in and monitor it to see whether it's meeting the job creation goals or targets that are put in place in terms of the application. So we're able to ascertain the actual jobs that are sustained and/or created by monitoring the applications that are successful.

I've just been passed a useful note here in terms of the investment dollars leveraged from other partners. The target ratio investment dollars leveraged from other partners is—basically, \$1 from NOHFC leverages \$2 of other investment, and that's obviously very significant. My note says, and we'll confirm this for you, that we're

actually above that, that indeed we're now at \$1 leveraging \$3, so a \$373-million investment has leveraged about \$1.2 billion.

There's a very clear professional process that's put in place in terms of monitoring. I probably can let my officials—perhaps I should do that, Deputy—speak about this, who are more expert at how the process is unfolding. I can hardly call myself an expert, but I understand that it's on that basis that we are able to evaluate it that way.

Mr. Norm Miller: Well, if we have time, we'll come back to that.

I'm interested in the private sector part of it, because my perspective as a Progressive Conservative—I look at real jobs, jobs that create wealth. The government lives off the private sector jobs, and I know you've got a program, or there is at least one program available for the private sector.

The most recent company that I know from my own riding, which is a pretty good-news story right now, is Lofthouse brass, which I was asking questions about in the Legislature and had a tour of a few weeks ago. They're doing pretty well right now. When I asked questions back in May, they were in bankruptcy protection, mainly because of their southern Ontario operations, actually, but they've now been bought out by their main competitor from Italy—Brawo, I believe it is. But they're doing very well. The day I was there, they were bringing \$3 million or \$4 million worth of new equipment in to do these brass fittings. When you tour the company, it's pretty impressive. They're doing some of the products cheaper than you can do them in Asia, and they're out-engineering the Germans on both plumbing and automotive products, so when you actually see it first-hand it's pretty impressive.

But one of the challenges they're facing is that the power supply is not very consistent, and when the power supply goes down, the whole plant shuts down. Obviously, that's a big concern. So they were applying to the NOHFC to get funds for a backup generator that they were going to run on biofuel, so it would have a green aspect to it, so they could keep the plant open. Obviously, these are real jobs we're talking about. They were ineligible, is what I understand, so they were turned down for that. So I am interested in the private sector aspect of what you're doing to help the private sector in northern Ontario.

Hon. Michael Gravelle: Cal, do you want to try and respond? Certainly, before I do ask Cal McDonald, our assistant deputy minister—

Mr. Norm Miller: I'm well aware of Mr. McDonald. He's slimmed up a lot. I did a northern tour with him once, and he must not be doing that northern tour anymore because he's looking much healthier.

Hon. Michael Gravelle: They're tiring me out. Cal's working pretty hard, as everybody is in my ministry.

We refocused the heritage fund. We thought there was a significant value to opening up the opportunity for private sector funding for specific projects. There are

many good examples of very successful ones. Not everybody can be successful.

I don't have access, obviously, to the individual applications. In fact, we're very careful about what role I play in terms of that, for the obvious and right reasons that a minister shouldn't be involved in that process, which is really why I'll have Cal talk about the process we got to in terms of making the decision to—I guess there was a review done of the program, and that was the determination.

1340

Mr. Cal McDonald: Yes, the due diligence process for the private sector projects is coordinated by Deloitte and Touche, so it's done by an external provider. They make recommendations to the board and they're presented to the vice-chair, and those decisions are made. They also monitor the projects and provide feedback to the board on a regular basis in terms of the success of the project: if in fact they're meeting their performance metrics; where they are in the stages of their development, be it infrastructure, number of jobs created, competition; the factors that may be in the community—are they in direct competition with another company or organization etc.; who the other contributors or creditors are that are providing funding.

Mr. Norm Miller: Okay. Can you give me an idea of what companies can apply for and what they might be able to apply for, for some of this private money from the northern Ontario heritage fund for private sector development?

Mr. Cal McDonald: Infrastructure, capital equipment, new technology—it's quite broad. Also, internships; there's a co-op program; there are some youth programs.

Mr. Norm Miller: Is the tourism sector excluded or are they allowed to apply?

Mr. Cal McDonald: At one time there was a program specifically to the sectors, but now it's more or less generic, so tourism would really be eligible across the slate for a variety of projects. In fact, tourism has done fairly well across northern Ontario in terms of the number of projects they've been eligible for. So if there was a particular opportunity—for instance energy; if they're switching from dirty diesel to solar or wind, they're eligible; if they're building infrastructure etc. But again, it's all based on the business plan, that it's obviously sustainable, solvent, that it's going to create some energy savings or sustain jobs etc.

Mr. Norm Miller: Would that include tourism accommodations? Are they eligible to apply? I would argue that in northern Ontario in general there's great room for upgrading of the accommodation sector, of tourist rooms.

Mr. Cal McDonald: Part of the issue long-standing in the tourism industry is really the equity—the tourism operators themselves bringing their 50 cents to the table or being able to find the security or find others that are going to support the venture. You certainly know very well, Mr. Miller, in the context of the dependence on the

weather, 9/11, SARS, the traffic etc., it's very hard for them to deal with the banks and elsewhere. It isn't so much their eligibility to NOHFC; it's really been a matter of them being able to secure financing from multiple sources.

The Chair (Mr. Tim Hudak): That does concludes the time.

Mr. Norm Miller: It does?

The Chair (Mr. Tim Hudak): Yes; 20 minutes go fast. Thank you, Mr. Miller.

Mr. Bisson, 20 minutes.

Mr. Gilles Bisson: Thank you very much. Earlier today we had a chance to look at the ONTC. It's unfortunate that these estimates aren't longer because there's far more under your ministry than meets the eye. A lot of people sometimes forget that the Ministry of Northern Development and Mines is not just a ministry but it's a ministry that is responsible for the ONTC, NOHFC and a whole bunch of things that are very important to the people of northern Ontario and, I would argue, to the province of Ontario, because they help to create the wealth that's needed to create some of the dollars we need to make those key investments.

The last part of the ONTC puzzle: We talked earlier in regard to train service from Moosonee to Cochrane, we talked about rail service south of Cochrane, we talked about freight service, and now we're going to come to bus service. You alluded earlier to the questioning by my colleague the member for Parry Sound—Muskoka. Did I get it right? I would never run for the job as Speaker because I never can get those ridings right after 20 years. You know Tony Wentzell. We dealt with him earlier last year when there was the—I don't know if it was a strike or a lockout. I think it was actually a lockout, where—

Interjection: It was a strike.

Mr. Gilles Bisson: Was it a strike? I'm trying to remember. I deal with so many mediations on these things.

Hon. Michael Gravelle: It was indeed a strike.

Mr. Gilles Bisson: Anyway, you would have dealt with them because at the time we were trying to encourage a settlement, and I know that you had your hand in that. Eventually we got a settlement with the bus drivers, so that was good. I appreciate your listening to some good advice from a member of the opposition. That's always accepted and I give you some credit for having dealt with that.

Hon. Michael Gravelle: We're very pleased it was settled.

Mr. Gilles Bisson: It was settled, which is a good thing for everybody, I think—

Hon. Michael Gravelle: Absolutely.

Mr. Gilles Bisson: For the workers, for the ONTC and the riders, I think it was a good thing.

You would have got this letter from Tony Wentzell from the Teamsters, and it's in regard to the internal memo that was sent out to all the bus drivers and now has been made public by the ONTC and by myself and my colleague Charlie Angus, the federal member of Parlia-

ment for Timmins—James Bay. There is now, because of fuel prices—again, we understand. I'm not going to argue for a second and pretend that fuel prices aren't increasing. We understand it's a real challenge for you and I to drive our cars or vehicles; it's a challenge for anybody who has to use vehicles as a way of moving goods or services, so let's accept that it's a problem. However, the ONTC, with the situation that it's in, is saying, "Well, how are we going to offset these costs?" They're saying that the way to do that is to reduce some services.

In this letter from Tony Wentzell, he lists some of the decisions that will be made by the ONTC as of October 1. There are going to be reduced bus services from Hearst to Timmins. We know that some of the buses will bypass Kirkland Lake. People are going to have to go out to the highway to pick up the bus, which is another reason not to take the bus. We know that the bus services will be reduced between Sudbury and Toronto from three to two.

My point, and I made this earlier, is that the more you reduce services, the less people are going to ride, and the less people ride, the more difficult it becomes to keep it afloat.

So, as I was asking earlier in my other questions, are you prepared, as the minister, to intervene by talking to the ONTC about whether there is something else that can be done? And I would be the first to support you in the Legislature if it means an increase in the subsidy of the ONTC.

Let's be clear: The ONTC is the GO Transit of northern Ontario, and quite frankly, we don't have the QEW, in some cases, or the 401 that is the alternate service if you don't want to take GO Transit.

Mr. Bob Delaney: Are you complaining or bragging?

Mr. Gilles Bisson: I don't want to get caught in that QEW parking lot; don't get me wrong.

My point is, in many communities, there's no other choice. The ONTC is the only way you can move. If you're living in Moosonee, you can't take the car, because there's no road. If you're living in many small towns between Moosonee and Toronto, you know as well as I do that there is no other alternative. It's either the ONTC or a car, and many people don't own cars.

We understand that the ONTC has problems. They're now poised to make a decision as of October 1 that they're going to reduce services. Are you prepared, with my support—and I give you that full support—to go to cabinet to ask for the support that you need, as minister, to avert these decisions?

Hon. Michael Gravelle: Perhaps you might find this to be a bit of a repetition, but we are very supportive in terms of the subsidy that we provide to the ONTC. We are very supportive and we continue to be. Actually, I might ask Don Ignacy, who's got the information more specifically, just in terms of what the changes have been in the subsidy over the last three or four years. I think this would be of interest to you. It ties into this—

Mr. Gilles Bisson: I'm now on bus service, so I'd appreciate that part in writing. We've only got 20 minutes and 18 minutes, and I've got questions.

Hon. Michael Gravelle: The point would be that there's been an increase in our subsidy over the last four years. Perhaps, Don, you could just quickly tell us what the increases are?

Mr. Gilles Bisson: Yes, you can take a very quick time to do that.

Hon. Michael Gravelle: Yes, that would be great. I really think it would be useful for you to hear this.

Mr. Don Ignacy: There isn't a summary table in any of your material, so we did pull the information. It's duly recorded in public accounts and in the estimates of this year. Over a three-year period from 2006-07, the subsidy has nearly doubled, starting at \$23.5 million for both capital and operating in 2006-07 and ending this year in 2008-09 at \$46.2 million.

Mr. Gilles Bisson: And most of that now being a capital increase?

Mr. Don Ignacy: And operating. Operating went up from \$16 million to \$21 million over a three-year period.

Mr. Gilles Bisson: With the lion's share being on the capital side, which is good; don't get me wrong.

Hon. Michael Gravelle: But it's still a \$5-million increase on the operating side.

Mr. Gilles Bisson: I hear you. The point is, I want to help you go further.

Hon. Michael Gravelle: I understand that and I appreciate that very much, but it is important for me to at least make the point that we are conscious of the challenge. We have been able to get an increase in the subsidy, perhaps most significantly this year, so we're just—

Mr. Gilles Bisson: And imagine how much further you can go with the support of the opposition and the Teamsters and the riders of the bus services from Hearst all the way to Toronto.

As you well know, Minister, this is an important service for the people who live on that line. If we lose service, in some cases there ain't going to be no service and in other cases it's going to become very difficult for people to make those choices that need to be made, because there is no other choice.

So I come back to my question. I recognize there's been some progress made. I'm not saying for a second that this government has not made any progress. I acknowledge the things that were done, but I'm saying, we need to take the next step. The ONTC is poised to make a decision on October 1. What I'm asking is, are you prepared to say to the ONTC, "Hang on a second. Let us go back and look at this again. With the work of the people who are affected"—the citizens; the mayors; the opposition; you, as the minister; and the workers themselves, through the ONTC—"we want to look at different options"? Are you prepared to work with me toward that end?

1350

Hon. Michael Gravelle: I certainly will continue to work closely with the ONTC; there's no question about that. That's an important commitment on our part, and we believe strongly in the support that we've given and we will continue to give. I certainly will have an oppor-

tunity, I hope, to respond to Mr. Wentzell's letter. I haven't had a real good opportunity to look at it. I just did see it today, and I haven't actually even done a good quick read of the letter in terms of the details.

Mr. Gilles Bisson: No, it's quite a lengthy letter; I understand.

Hon. Michael Gravelle: I am committed to working closely with the ONTC in terms of supporting the programs. I am very conscious of how important the ONTC is to the northeast in terms of the vital transportation system. I will acknowledge to you, and you'll understand this as a colleague from northeastern Ontario, that I've learned a lot about the ONTC. I certainly was aware of it, previous to being minister; now I'm very, very conscious. May I say, it's certainly not just yourself and others in opposition; my northern Ontario colleagues, members, are also very supportive of the ONTC, as you can imagine. We will continue to work closely with them.

Mr. Gilles Bisson: Two questions; I asked you the first one. Are you prepared to go to the ONTC and say, "Hold off on the October 1 implementation. Give us some time to look at this"? Are you prepared to do that?

Hon. Michael Gravelle: I am prepared to say that I will continue to work closely with the ONTC. I—

Mr. Gilles Bisson: That's a couched response.

Hon. Michael Gravelle: Well, it's a—

Mr. Gilles Bisson: I understand your position.

Hon. Michael Gravelle: It's an important response, so I want to make it clear that the ONTC is obviously a very important organization. I understand, and my ministry does, the impact it has on northerners. We're supporting it in a substantial, strong way, and I will continue to work closely with them. That's the best I can say right now.

Mr. Gilles Bisson: Let me come at this from another angle: How much money are we going to save by the reduction of these services? Does anybody have the numbers? We know that the bus is going to bypass Kirkland Lake, I think it's three times a week. Do we know how much they're going to save by way of these reductions in services?

Mr. Tom Marcolini: Kirkland Lake is still going to have daily service.

Mr. Gilles Bisson: But part of it is that some of the service that they now have come into Kirkland Lake they'll have to catch at the highway.

Mr. Tom Marcolini: They'll have the option of going to Kenogami, yes—

Mr. Gilles Bisson: Hearst is affected; Sudbury is affected. How much money are those reductions going to save the ONTC?

Mr. Tom Marcolini: Mr. Bisson, we don't have those numbers at our disposal right now. We've been told that the planned moves will reduce the impact of the higher fuel cost and reduced ridership.

Mr. Gilles Bisson: Try to guess, just roughly.

Hon. Michael Gravelle: Is there any information we can get, Tom?

Mr. Tom Marcolini: We can try and obtain that information.

Mr. Gilles Bisson: I ask it as a formal question through this committee: How much money are those reductions in services going to save? If you can have that sooner rather than later.

Mr. Tom Marcolini: Okay.

Mr. Gilles Bisson: My point is, I would imagine, in the overall, it's not worth a heck of beans. We're not talking millions of dollars that we're going to save, which brings me to the point: This is a very small investment to make on behalf of northeasterners in regard to providing services. If the choice is saving X amount of dollars, and I'm just going to use a number, I don't know what it is, but let's say it's half a million dollars—it might be that, might be more, might be less, but let's say it is—what is that compared to an investment of half a million dollars to provide services to the people of northeastern Ontario? It seems to me that that investment would go far further towards providing services to the northeast than a reduction in services, because then your problem becomes, if you start reducing the services, people will take the bus less. That's why I would like to have that number, because one of the things—

Hon. Michael Gravelle: No, I mean—

Mr. Gilles Bisson: Go ahead.

Hon. Michael Gravelle: I'm not obviously giving you the answer you would like to hear from me. We sure aren't arguing about this in the sense that I think we all share the value and the importance of the ONTC and the service they provide, whether it's the bus service or the train service or the other enterprises they're involved with. I just want you to know as strongly as I can your advocacy is appreciated, and I'll make sure that this message gets through.

Mr. Gilles Bisson: I just want to put clearly on the record as the New Democratic Party, and I can't speak for the Conservatives—I'll let Mr. Miller speak for himself—we're prepared to support you in that endeavour. If that means that you have to increase the subsidy by a small amount of money in order to offset, we support that, because we see that as a key investment to assisting the northeast. If you want me to talk to people, you want to have people out on the front lawn, I can set that up for you too—not a problem; anything I can do to help.

Hon. Michael Gravelle: As I say, I'm grateful that our government has been very supportive of the ONTC and continue to be—

Mr. Gilles Bisson: Listen, I—

Hon. Michael Gravelle: —and increase the subsidy. This is good news.

Mr. Gilles Bisson: I'm not coming into this committee saying that your government's doing everything wrong; that ain't my point. I'm saying, on this one here you have a chance to do something right, and let's get it right.

Hon. Michael Gravelle: Thank you.

Mr. Gilles Bisson: As we did last fall with the strike of the ONTC bus, we managed to get a resolution there. That was working together, and that was good.

I wonder at the wisdom of the ONTC in making this reduction, because if you read Mr. Wentzell's letter—this is only anecdotal. I don't know, you don't know, and I'm sure your officials don't know, but he's saying on the second page, third bullet point, "The ONTC has advised that the reason for service reductions is that ridership is down 8% in the south"—"south" being south of Sudbury and North Bay, I would imagine—"and 5% in the north," the ridership numbers for that part of the service. He says, "The drivers simply do not see this; we constantly leave passengers behind because we are full and have no room for them...."

I've heard that from constituents on the bus service, where they've tried to take the bus down out of Toronto and the bus is full and they can't get on that day. So anecdotally, I'm hearing—and the Teamsters are sending in this letter and the drivers are saying the same—that in some cases, the buses aren't big enough to hold the passengers. So if we reduce services even more, how much more frustrated will the rider become and how much more does that lead to less revenue for the ONTC and its sustainability?

Hon. Michael Gravelle: I appreciate the point, and I also, as I say, appreciate the letter from Mr. Wentzell. I certainly will be responding to him. As you point out, it is anecdotal, which is not to say that we question what Mr. Wentzell is saying, but it is anecdotal, so we have to probably be a little bit careful. But your point is understood.

Mr. Gilles Bisson: He further goes on to say on the third page of the letter—again, it happens to be the second bullet, or the third paragraph: "Passengers are getting upset that they often have to stand as there are no seats, or get left behind...." He then goes on to say, "Labour Day weekend thus far I have only heard of one trip that had two full buses and left about 16 passengers behind in Yorkdale and Barrie...."

Again, anecdotally, we know that there are people who want to ride the bus, and we know, anecdotally—and it's not only Tony Wentzell saying it; I'm hearing that from constituents up in my part of the province—that people are not always able to get on the bus because they're full. So clearly, there's a demand; reducing it, I think, will make it that much worse.

He goes on to make what I thought was a really interesting—what's the old saying about numbers? Let's see now, the fifth bullet point on the second page: "Sudbury is slated to have services reduced by 33% as the ONTC says ridership is down 8%." I thought that was kind of an interesting point, because for an 8% ridership reduction below Sudbury, Sudbury's going to lose 33% of its service because they're losing one third. I thought that was an interesting point.

I don't know how much time I've got, Chair, before I—

The Chair (Mr. Tim Hudak): You have five minutes, sir.

Mr. Gilles Bisson: Okay. I just implore you that we need to find a way to fix this, because in the end, re-

duction of services is not going to lead us to having a better bus service; it's going to lead us towards having less passengers, and the fewer the passengers, the worse it is. Again, I make the call: Whatever we can do to assist you towards that would be appreciated, if you would succumb to our request.

Hon. Michael Gravelle: I certainly will be having discussions with the chair and with the board, seeing the chair as I do on a fairly regular basis. But the fact remains, we are very proud of the fact that we have been supportive of the ONTC in terms of the subsidy. I'm very pleased to report that, indeed, the subsidy has increased as a result of some of these challenges.

The ONTC is an independent commission, which is making decisions as an independent commission, based on their best judgment, I would like to think, and obviously not everybody agrees with that. Clearly, Mr. Wentzell makes a very strong point, so hopefully that will be responded to by the commission as well. There is no question that the ONTC will be hearing from us and hearing what you were saying today.

Mr. Gilles Bisson: The last point from Mr. Wentzell's letter: He says to put the decision off at least until January to give us a chance to go back and look at this. October 1 is the implementation date of the decision by the ONTC for service cuts. He's suggesting that we move this back to January 1 in order to give people time to take a good look at this, beyond just what the ONTC can do by reduction of services. Are you prepared to recommend to the ONTC that in fact we can push back the decision at least until January 1 of next year in order to give us a chance to look at what can be done? We're only talking about a four-month extension. It's not the end of the world.

Hon. Michael Gravelle: Again, I have not even had a real chance to look at the letter from Mr. Wentzell. I will indeed do so and I will respond to it. It wouldn't be fair for me to make a commitment that I can't live up to, I say to you as a colleague and as a friend. Certainly I don't think I'm in a position to make that commitment, but we will be speaking to the ONTC and I'll continue to speak to them. But I wouldn't want to make that commitment to you at this time.

Mr. Gilles Bisson: I would strongly recommend that we take his suggestion because I think it gives us a chance to look at what can be done. I know that northern mayors, band leaders, industry and others that use the service probably figure that there's something else that can be done than a reduction of services.

1400

Hon. Michael Gravelle: I appreciate the very strong points you've made.

Mr. Gilles Bisson: Very quickly, let me ask you this question: Do we provide French-language services to applicants of NOHFC?

Hon. Michael Gravelle: Yes.

Mr. Gilles Bisson: I figured you were going to say that, but I wanted to confirm it with my good friend. So if

a person applies in French and says, "I have an application to NOHFC," does that get responded to in French?

Mr. Cal McDonald: Yes. They have FLS-designated positions across the north, so they can answer—

Mr. Gilles Bisson: That's what I thought, but I've got a couple of cases, in fact, where that has not happened and they're asking questions in regard to that.

The second part that you alluded to earlier to Mr. Miller is that a lot of the vetting of the applications is done by Deloitte and Touche.

Hon. Michael Gravelle: Private sector.

Mr. Gilles Bisson: That's right—which is outside of northern Ontario. Apparently the applications are coming to Toronto.

Mr. Cal McDonald: Yes, but they do have resources in the north. But you're right; the firm is located in Toronto.

Mr. Gilles Bisson: NOHFC is a northern Ontario organization that was always administered in the north. Why in heck are we farming that out to southern Ontario? Not that I have anything against Toronto; I think Toronto's a great city. But why are we not farming that work to northern Ontario?

Mr. Cal McDonald: There was a tendering process, and that was the particular firm that had the qualifications that could provide the due diligence. That doesn't mean that that can't change in the future.

Mr. Gilles Bisson: Or we could have put some sort of condition in there that we are looking at trying to get a firm from the north, out of Timmins, Sudbury, Sault Ste. Marie, wherever it might be?

Mr. Cal McDonald: Yes, if in fact there was a firm that had the capacity to manage the number of applications and the complexity—

Mr. Gilles Bisson: They manage some pretty big files in places like Sudbury and Timmins. Some of the largest employers in Ontario are out of those places, and some of these firms are based up there. It just sits badly with a lot of people that we can't do that internally.

Mr. Cal McDonald: Understood.

Mr. Gilles Bisson: I'll come back later, because I'm out of time.

The Chair (Mr. Tim Hudak): We'll now go to the government members for their last 20-minute segment, and then we'll have one full rotation again, to remind members, of 16 minutes each, and then we will have concluded the estimates for northern development and mines. Mr. Rinaldi, you have 20 minutes.

Mr. Lou Rinaldi: Minister, staying with the mining industry but looking at a different angle, I know that we've embarked on the review of the Mining Act. As you mentioned in your opening remarks and during the discussions here today, a lot of the activity around the mining industry entails working within the native territories and so forth. I know you've had some consultation already and you're in the midst of your consultation, I believe. Can you give us some sense of the extent that's going toward aboriginal engagement?

Hon. Michael Gravelle: It is a very important question. Certainly, our ministry has been working very hard over the last several years to continuously improve relationships and the engagement processes with our First Nations partners and friends and people in the province.

In February 2007, we released a discussion paper, the purpose of which was to guide our efforts. It was translated into Cree, Oji-Cree and Ojibwa. It was distributed broadly to First Nations communities all across the province and also to industry stakeholders. It was also, at the time, posted on the environmental registry and on the ministry's website. It was an important document that we were very proud to get out into the public. That discussion paper is part of the multi-pronged engagement process that includes working groups, pilot projects and information-sharing sessions. Based on that discussion paper, my ministry has received significant detailed feedback, a lot of it very positive, and advice from many aboriginal communities and from representatives of the mineral sector.

We're certainly encouraged by the amount of work that's already been done by the mineral sector itself, not just in Ontario but worldwide, to promote sustainable development guidelines while engaging First Nations through such measures as the Prospectors and Developers Association of Canada. There was an agreement signed between the Assembly of First Nations and the Prospectors and Developers Association of Canada, or PDAC, which has a major mining conference every year with about 20,000 participants. The memorandum of co-operation I believe was signed between the Assembly of First Nations and PDAC at that time in terms of future opportunities to work together.

But also, may I say, great work is being done by our Ontario Minerals Industry Cluster Council, which we are very proud of in our ministry in terms of the great work that they've been doing bringing in people from all sectors to give us significant advice.

In terms of our ministry itself, we've taken a very active role in facilitating discussions between First Nations and the mineral sector. In some cases it's more necessary than others, I guess is a way of putting it, but we continue to provide that service on an ongoing basis.

I made reference to it this morning, I think, but it's worth mentioning again: the northern Ontario heritage fund. Through that program, we've been able to contribute \$50,000 to a number of First Nations to explore the benefits that can be gained from impact benefit agreements. This is about capacity building. I may also have made reference to the \$25 million that the Ministry of Aboriginal Affairs received in part of the budget announcement in terms of capacity building as well, again something that Dr. Rosehart recommended. We contribute \$50,000 through our program, and we actively promote the availability of this particular fund too, because there have been opportunities—fairly recently, I was meeting with the chiefs of the Nishnawbe Aski Nation up in Thunder Bay. There were over 40 First Nation leaders at the event, and we had our executive

director of the heritage fund there to make a presentation to them on the opportunity that could be accessed through the heritage fund.

We contributed \$50,000 recently to Fort Albany and to Kashechewan to explore the benefits that obviously can be gained from their relationship with De Beers Canada. There's no question that that has been very, very positive. We also provided \$50,000 to the Sagamok Anishnawbek First Nation in March to help the community develop impact benefit agreements with two mining companies that are interested in developing mines. I think it's fair to say that in an overall sense, we are very encouraged by the progress made thus far, and it's extremely important, certainly to me as a minister, to our ministry in particular. We've just set up an aboriginal relations unit, which perhaps I'll get an opportunity to talk about in more detail later, which we are very proud of as well, and it's a very positive thing. We're going to keep working at it.

We've put in place measures to improve our consultation through four key practices that respond to some of the concerns we've heard in our aboriginal engagement process. It's very important that we do this, and we've done this. I recall when I was first appointed minister and I met with Matawa tribal council up in Thunder Bay actually, 13 First Nations, and we were able to tell them about a number of things that were moving.

First of all, we strongly encourage the mineral sector to consult with the aboriginal communities as early as possible regarding their exploration plans. Another thing that we're doing as part of these transitional measures is that we're providing claim holders with web links to industry's best practices in terms of aboriginal engagement. We are providing claim holders with contact information for aboriginal communities located in the vicinity of their new mining claim. We are also, on a quarterly basis, providing the aboriginal communities with maps which show the mining claims in the general vicinity of their communities and with information on who the claim holders are. That is part of our transitional approach, and we think it's very important.

As I say, when we met with Matawa, that was a particularly positive experience for me, as it is with all the experiences I have. My ministry staff are constantly available to meet with the communities and with the claim holders to hear concerns and to help facilitate reconciliation. If significant issues have arisen, we can help with that process, we think. Basically, we want to reach out as much as we can. To date, my ministry staff have met with representatives from over 50 of Ontario's First Nations, six of Ontario's tribal councils and numerous other aboriginal organizations. We are very excited about that. Certainly, the MOU that was signed between the Assembly of First Nations, which was a memorandum of understanding, and PDAC, the Prospectors and Developers Association of Canada, will further enhance relationships between First Nations and Canada's major mining companies. So there's some very positive news and I think it is based to some degree on the fact that we

take so seriously our duty to consult, and also our relationship building. I can tell you that certainly the staff that I travel with when I'm visiting First Nations—this was said earlier about our relationship with northern communities and our northern development officers and I think it actually goes very much for the staff who work for us in terms of our engagement with aboriginal communities. They have a very close relationship with them, and it's nice to see. In fact, the deputy was—when we were travelling up this summer, it was a terrific experience, wasn't it? It was wonderful for all of us.

1410

There are common aspects to some of the impact benefit agreements that are signed. They are generally—I mean, they are confidential impact benefit agreements, as they should be, but a lot of them have been signed. Certainly we know the one with De Beers and the Victor Diamond Mine. We are very familiar with the one at Musselwhite, the gold mine near Red Lake. There's Liberty Shaw Dome properties near Timmins, which my colleague from Timmins—James Bay would know about. Generally I think it's fair to say, that usually involves a training and an employment component in terms of the actual project itself. There's revenue sharing, environmental provisions, reclamation procedures and some dispute resolutions.

We have marked 42 additional agreements that have been signed at the early exploration stages and I think it's really important for us to recognize how significant that is and how positive that is and why it gives us some reason for hope as we go through the process of modernizing the Mining Act.

Mr. Lou Rinaldi: Thanks, Minister. One of the short comments you made just previously kind of intrigued me. I know you intend to implement an aboriginal relations unit within your ministry. Can you give us a bit more insight into what that entails and what the purpose is and how soon that will be rolling out or what you intend to accomplish?

Hon. Michael Gravelle: Sure. Thank you very much. How much time do I have, Chair?

The Chair (Mr. Tim Hudak): Just over nine minutes.

Hon. Michael Gravelle: Nine minutes? Excellent. I'm so pleased.

The Chair (Mr. Tim Hudak): Nine minutes, 36 seconds.

Hon. Michael Gravelle: The aboriginal relations unit is a very important unit and we've very pleased we've been able to get it set up. I've very clearly identified the need for an aboriginal relations unit to assist our efforts to meet our duty to consult, which is something that we take very seriously, and to support the ongoing efforts of engagement and facilitation between the MNDM staff, our ministry staff, and First Nations, and the mineral sector itself. So certainly the intent and the goal of this unit is to strengthen our existing relationships. We have very strong relationships, and that's very important for me to state. Despite some of the challenges that we face, I think we have very positive relationships between our ministry and First Nations all across the province.

But we also want to build new relationships, and that's something that we believe the aboriginal relations unit will help us do. It will allow for increased information sharing, it will allow for understanding to basically help us with future policy discussions and decisions which will indeed include the consultations that we're doing related to the Mining Act. We are going to be doing very specific consultations on the Mining Act with First Nations in large measure coming up this month in terms of sometime in September, so I'm looking forward to being a part of that.

The aboriginal relations unit essentially will have the responsibility of fostering collaboration between the communities, the government, the mineral industry itself and the economic development sectors in the communities in order to support the overall economic development of their communities as well as northern Ontario, and those opportunities are many.

We feel very strongly that through this increased knowledge and understanding a very open and a very transparent dialogue can and will take place. We think that it will make it—I shouldn't probably say "easier," but it will enable us to manage issues, I think, perhaps better than we have in the past, and I hope that's the case. Certainly it will help us meet our duty to consult. We want to be able to continue to meet our duty to consult. We recognize that the duty to consult is an ongoing process and we have to continue to work on it. We take it very seriously.

In terms of our aboriginal relations unit and the Ministry of Aboriginal Affairs, the relationship between the Ministry of Aboriginal Affairs and the Ministry of Northern Development and Mines is viewed as very much a complementary one. Our aboriginal relations unit will deliver our line ministry requirements, while we are continually in discussion—our people will always be in discussion with the Ministry of Aboriginal Affairs, which supports the broader policy needs and the cross-ministry coordination.

There's lots of good news attached to this, I think. It's a very positive development in our ministry, and one that we're very proud of, but the fact is, the unit is now fully staffed. We're excited about that. We have a liaison officer stationed in Sudbury, Timmins and Thunder Bay, and we look at these regional positions as assisting the ministry and engaging with aboriginal communities and industry on projects that are occurring in close proximity to the aboriginal community. We're very excited about this and very pleased that it's up and running, and we're looking forward to working more closely with our aboriginal communities with this unit in place.

The Chair (Mr. Tim Hudak): You still have five minutes left.

Mr. Lou Rinaldi: Good. Thanks. Just a couple of weeks ago, one of my staff—one of her kids goes to university in Sudbury, and in her travels, she was quite impressed with the amount of construction on highways in northern Ontario. I know you touched a little bit on that this morning—our investments in the northern On-

tario highway program. I wonder if you could maybe give us some sense, more in depth, of what we've accomplished and where we intend to go, and overall, I guess, our financial commitment to transportation or the highways, specifically in northern Ontario.

Hon. Michael Gravelle: It's a great story. Thank you very much for the opportunity to talk about that. In some ways, I probably shouldn't need to even flip to my binder because I do know it so well.

We are very proud of the fact that—I think I can say this accurately, and I know my officials and deputy will correct me if I'm wrong and perhaps others who have been here longer than both of us—there has been an increase in the northern Ontario highway funding every year for the last four years. Now I'm getting us in trouble, because I probably should have—the long and the short is, we've got a record level of spending this year: \$546 million. We had a record last year: \$468 million. I know I'm right about this. What I can't do is go back as quickly the year before; I think it was actually \$379 million. Someone is back there right now checking it out for me. My point is that we have a very strong commitment to northern Ontario's highways and we have a strategy. The fact is that in 2005, we made a five-year commitment to northern highways, with a \$1.8-billion northern Ontario highway strategy. As a result of that, we are seeing real progress on a number of highways all across the north.

It's been said before, but it's worth saying again: We're virtually 90% of the land mass of Ontario, we're only about 6% or 7% of the population, and we've got about 60% of the highways. Was I close?

Interjection.

Hon. Michael Gravelle: Okay. I was very close. What did I say—\$360 million, \$370 million?

Interjection: It's \$367 million.

Hon. Michael Gravelle: It's \$367 million.

Mr. Gilles Bisson: You were overstating by \$2 million.

Hon. Michael Gravelle: I'm not bad, eh? The important thing is that as a result of that commitment, we've been able to do a significant number of things, despite the fact that we have such a huge land mass, despite the fact that we have what I think is 11,000 kilometres of roads, so we're very proud of that. We're very proud of the commitment that we've made and we've been able to maintain in terms of—and this is where Tom Marcolini will want to correct me if I'm wrong—the expansion between Parry Sound and Sudbury, the four-laning up there. I think the completion date is 2012?

1420

Interjection: It's 2017.

Hon. Michael Gravelle: It's 2017; 2012 is Highway 11 to North Bay. Yes, 2012 is very ambitious, but we're very committed to meeting those goals and I think we will be able to do it.

I'm also very pleased about the fact that we're seeing significant dollars being put into the rehabilitation of our highways in northwestern Ontario and serious study

being done looking forward to the potential four-laning of the section between Nipigon and Shababqua. For those who don't know, Nipigon to Thunder Bay is about 115 kilometres, and then sort of going around the horn again, you get to Shababqua. It's a significant number more kilometres. The long and the short is, we're now looking at a route-planning study to get us from Kakabeka Falls to Shababqua. So I'm very pleased about that.

The challenge will always be that, as I think I stated when I was being questioned by Mr. Miller, the construction costs will continue to go up. That isn't meant in any way to be used as an excuse, because so far we've been able to have our funding increase by more than that percentage every year. But clearly, it's a significant factor when you're trying to get new expansion of other highways being done when those costs go up to that degree.

Again, the important thing is that we now have \$546 million this year. It's a total commitment to complete the four-laning of Highways 11 and 69, and this is very important to us. There have been a number of significant projects in the northwest, and if I may, I will focus a little bit on those just for a second, too.

The Chair (Mr. Tim Hudak): You have 25 seconds.

Hon. Michael Gravelle: Maybe I'll wrap up.

We are going to continue to be committed to our northern Ontario highway strategy. We're going to be trying our very best to continue to do work on all sides of this with the number of kilometres that there are in northern Ontario, with the number of major projects. We're committed to the 11 and 69 projects and committed to working on Highways 11 and 17 in northwestern Ontario. I'm very proud of our government's very strong commitment to the northern highways.

The Chair (Mr. Tim Hudak): Thank you, Minister. That concludes the 20-minute rotation. We now will have a final 16-minute rotation from all three parties, beginning with the official opposition. Mr. Miller, you have 16 minutes.

Mr. Norm Miller: I have more than 16 minutes' worth of questions, but I will try to get as many as I can in, starting off with the boreal forest initiative that was announced by your government in July, I believe it was. From an opposition perspective, and please don't think I'm cynical about this, it looks like an announcement was made for good PR on the environmental front, but one that's not necessarily thought out too carefully and that could create all kinds of uncertainty for the mining sector in particular. Now we've created uncertainty in 43% of the province. So I guess my first question is, who did you consult with when you brought this initiative in? Did you consult with municipalities or First Nations, or was it simply with environmental groups?

Hon. Michael Gravelle: I was very proud to be present with the Premier when the Premier made the announcement on July 14. Minister Cansfield, the Minister of Natural Resources, was there as well, as was Minister Bryant, Minister of Aboriginal Affairs. I think this is a very exciting announcement that I think could be of great benefit to all, and without denying us the opportunity for economic development in the far north as well.

This is a very strong commitment. I'm sorry you feel cynical about it, but I think you shouldn't. I would think that, as someone who represents your areas and works as hard as you do, you can see the value in a project such as this. It does give us the commitment to protect 50% of the far north boreal forest, and at the same time it allows us to maintain future developments in the mining sector, with the one condition that we all accept that no new developments in mining or forestry will move forward without the agreement of our First Nations partners in this. I think it's a positive announcement and I think it's one we can work very well on and I've had an opportunity to speak to a number of First Nations about it as well.

Mr. Norm Miller: Before it was made, did you consult with First Nations or municipalities?

Hon. Michael Gravelle: I did not make the announcement. As you know, the Premier made the announcement. I'm certainly in no position to speak on the Premier's behalf in terms of who he spoke to or whoever he consulted. As I said, I was proud to be there, pleased to be invited and glad that I was able to be there for the announcement.

Mr. Norm Miller: It strikes me that it's a decision that would be very popular in the south with people who would never visit the boreal forest but wouldn't necessarily be popular with those people most affected and who rely on the activities that occur in the boreal forest. It creates a lot of uncertainty going forward, certainly for mining, where you're affecting 43% of the province.

Hon. Michael Gravelle: Obviously, in terms of protecting 50% of the land mass, this is a positive climate change initiative. I think that's an important factor as well and should be considered—and I think most have.

One of the reasons that we have publicly stated, and I'll state it again, that we're moving forward in terms of our modernization of the Mining Act and the consultation on the Mining Act in a period of time which will allow us to bring forward legislation, we hope, we plan, by Christmas is that we want to make sure we can maintain certainty, particularly in the mining sector itself. I think if we can do our work relatively quickly with all the consultation and discussion we've had in the past, we can maintain the certainty.

As you would expect, I'm very close, as minister, with the mining sector. I've had lots of discussions with them and will continue to have them. In fact, one of our public consultation sessions is coming up this Monday in Toronto. We thought it was very important that we have one of our public consultation sessions in Toronto. That's coming up next week, and I'm sure we'll hear from significant players, Toronto being the significant community that it is in terms of the mining sector.

We want to provide that certainty. That's why we wanted the Mining Act consultations to be pretty clear in terms of the scope of the review. I think so far we're very pleased with the developments and how they're moving forward.

Mr. Norm Miller: The Mining Act review is something I'd like to spend more time on, but I do have a number of issues that I want to cover off. Are First Nations being consulted as part of the Mining Act review? The impression I got in speaking with chiefs from the remote northwestern Ontario First Nations—the chief of Webequie, Grand Chief Stan Beardy, the chief of Fort Severn—is that they didn't feel like they were being consulted. They felt they shouldn't just be part of the regular consultation process, that there should be some—

Hon. Michael Gravelle: I think I've got to stand closer to you when you're talking to those people because these conversations don't sound like the conversations I have with them.

We've had consultations already in Timmins, Thunder Bay and Sudbury. I was scheduled to be at the Timmins session and had to come home for a family emergency, so I wasn't able to be there, but I was in Thunder Bay. We invited all the First Nations in the northwest as best we could. We had a very, very good turnout. In fact, I think Chief Scott Jacob from Webequie was at the Thunder Bay consultations.

I know that Grand Chief Beardy indicated that there was going to be a separate section; he said that publicly when he was asked about that. We are working to set up individual consultations with our First Nations. We haven't got the day absolutely pinned down, but I'm going to be at one of the sessions for Treaty 3.

The fact is that we are having very specific and quite detailed consultation sessions with First Nations across the north.

Mr. Norm Miller: The thing they clearly told me was, they didn't want to be considered a stakeholder; they didn't want to be considered like a mining company.

Hon. Michael Gravelle: I haven't described them that way, and the fact is, we're having specific consultations with First Nations and are very sensitive to the fact that that's an expectation. We're just working out the details now. Deputy, do you want to speak some more on that?

Mr. Norm Miller: I have too many questions to ask, so I'm sorry, but I don't have time for that response.

I did want to say that I think with the Mining Act review, one size does not fit all. Certainly, the problems related to southeastern Ontario, where you have surface and mineral rights, are probably unique to southern Ontario, not the same as most of northern Ontario. So perhaps you might want to consider that one size does not fit all and the solutions in southern Ontario are different than northern Ontario. It's a general complaint in northern Ontario that you hear, and it can be applied to the boreal forest decision as well: that decisions are made in southern Ontario without enough reference to northern Ontario.

1430

Hon. Michael Gravelle: I appreciate you making that comment. Obviously the whole issue of service rights and mining rights is part of the scope of the review of the act, and your comments are certainly comments I have heard. I think that's the value of our consultation process,

so that we can hear from people in terms of where we land in terms of the legislation that we bring forward. But we know that has been an issue for some time. The minister's Mining Act advisory committee has done a significant amount of work on that specific issue and brought recommendations. This was also brought forward to the Environmental Bill of Rights website registry and there were many comments made on that. So we're conscious of how we want to get that right.

I have certainly stated that we are determined to find a solution to that particular problem. In essence—

Mr. Norm Miller: Sorry to interrupt, Minister, but I have three other questions I'd like to ask.

Hon. Michael Gravelle: Oh, I'm sorry. I thought you wanted to hear from me right to the end.

Mr. Norm Miller: Three others: The first one is the grow bonds. You had \$13 million in communities contributing money. From what I understand, it wasn't fully borrowed out by businesses. I guess my question is, why were the retail, hospitality and construction sectors excluded from it and why was there such a short time frame for the applications to the grow bonds—

Hon. Michael Gravelle: I'm not sure I—

Mr. Norm Miller: You had a February-to-April-2005 application time frame.

Hon. Michael Gravelle: I'm not sure I'm the best one to answer—Cal McDonald is here—because, to be fair, I wasn't the minister then. Cal, did you hear the question? The time frame for the actual purchase of the bonds.

Mr. Cal McDonald: Yes. Both the time frame for the bonds and the actual time to apply for the program, both on the bond side and on the program side, were extremely short. Through our preliminary review, as a pilot project, yes, that was seen as something that would certainly have to be resolved if we were to do something in the future. So as a pilot, yes, that was definitely one of the issues that was raised by the client groups.

Mr. Norm Miller: Because you didn't raise as much as you potentially could have. It was \$20 million to \$25 million, and it isn't fully subscribed as well, on the loaning-out side of it.

Mr. Cal McDonald: Yes. On the bond side, part of the issue was, other bonds were going out at the time and working with OFA, the financing authority, within their time schedule. That was one of the complexities that we had.

Mr. Norm Miller: There's another question I would like to ask, which was raised at AMO when I was talking to municipal representatives: the GO North program. One municipal representative just said, "Where'd the money go? Because we sure haven't seen any effect from this money that was spent." Was it \$20 million? Is that what the GO North marketing plan program was? That's what was expressed to me: They just didn't see any benefit; wondered where the money went. That's what was asked of me.

Hon. Michael Gravelle: Obviously, I don't know to whom you were speaking; I speak to all of the mayors as well, and members of council. We know that the GO

North program itself is a very successful program. It's promoting the competitive advantage of northern Ontario to investors around the world. We've got targeted marketing and investment-attractive activities. We're trying to attract new investments to the north. I think we can actually say that it's been significantly helpful in terms of attracting jobs to various communities. More than \$7 million has been invested in international outreach and there have been all kinds of promotional materials and some of the trade missions that have gone on as well, public relations activities.

Interjection.

Hon. Michael Gravelle: If I may, just quickly, there's the northern community investment readiness program. We've had over 100 projects or applications for support under that, which is part of the GO North program. It makes a real difference. They're not large amounts of money but they really are helping the communities, smaller communities, and that makes them able to respond to international investors. Listen, nothing is perfect and we think we can do some more work on this, but the fact is—of course, it's also important to note, as I know you know, that this is in partnership with the Ministry of Economic Development and Trade. We're pleased with the programs that we've been able to administer and we think there have been some real successes as a result of the GO North program.

Mr. Norm Miller: For my last couple of questions, we've received e-mails to do with the 1% pension increase promised to the Ontario Northland Transportation Commission pensioners. Do you know the status of that 1% increase?

Hon. Michael Gravelle: That actually isn't my area of expertise; I apologize.

Mr. Kevin Costante: We would have to get back to them on that.

Hon. Michael Gravelle: Yes, and we will—

Mr. Norm Miller: So you can respond. After the fact is fine on that one.

Hon. Michael Gravelle: Okay, thank you. I wish I could give you more of a response right now, but—

Mr. Norm Miller: Okay. The mayors' action plan: A lot of the mayors met in October and November 2007—from what I hear, a very good conference—and made lots of recommendations. What's the ministry's response to that mayors' action plan?

Hon. Michael Gravelle: When you say "mayors' action plan," are you talking about—

Mr. Norm Miller: They had a big conference in November 2007, right after the provincial election. From what I understand, it was quite successful. They made recommendations, and I'm wondering what the ministry's response is to that.

Hon. Michael Gravelle: Yes, I believe FONOM did that. I actually think I remember the dates, because it was just literally after the election. It was October 16 to 18. It's peculiar that I even remember the dates, but I do because I couldn't go as a member, and I was a member then. It was difficult. It seemed to me that it was more

put on by FONOM, it was more of a northeastern Ontario gathering than it was—it included the northwest as well. But the long and the short of it is, a lot has happened since then. I've met with FONOM since that point, and the growth plan was very much a large part of that discussion.

We did a couple of things. Obviously, I'm very excited about the growth plan for northern Ontario. I think it's going to provide us with some real vision, some real clarity and a real blueprint for how we move forward from an economic development point of view. Not only are we moving forward in terms of a regional sense, but we have FONOM and NOMA, the northeast and northwest municipal associations, working closely together. They're going to be fully informed. It's my goal also to give an update report of where things are at early this fall so that I can get out there.

One thing: I was at AMO, as you were, and met with the representatives in terms of the growth plan, and I think it's fair to say that, yes, there is a lot of positive enthusiasm and excitement about the growth plan. There is a desire for us to perhaps communicate more often with the mayors and reeves, which I intend to do, because I think it's important. Out of that session that you were describing in October came some discussions, and I'm pleased.

I think that one of the key responsibilities of the Ministry of Northern Development and Mines is to develop a relationship with the municipal leaders, and it's something that I take very seriously. I certainly always did, and do, as a member and now as a minister. I see it as being really key to making sure that there aren't any—I think they're honest with me about what they think. So that's why I'm actually a little surprised by some of your comments.

Mr. Norm Miller: And for my last question—

The Chair (Mr. Tim Hudak): Okay, you can place a question for them to get back later if you want, but it's your last question.

Mr. Norm Miller: Yes, sure. On provincial land tax reform: Can you provide an update on what's happening with that and if there's a tax rate that's going to be applied? I was in unorganized territories last week and I was being asked, "What taxes am I going to be paying or what's it going to mean?" I said, "Well, I think you can count on your taxes going up. But I don't know what the tax rate is."

Hon. Michael Gravelle: It's the Ministry of Finance, as you know, that's responsible for that. I would be willing to respond if I had time, but it is the Ministry of Finance that is responsible for provincial land tax reform, not our ministry. I know you understand that, right? So we can get a response from the Ministry of Finance. But if we had more time—I went to the consultation sessions held a couple of weeks ago in Thunder Bay. I know there were a lot across the north—

Mr. Gilles Bisson: It wasn't as big as Timmins.

Hon. Michael Gravelle: I heard it was massive—

The Chair (Mr. Tim Hudak): Anything else, Mr. Miller?

Hon. Michael Gravelle: Mr. Bisson will talk about it later.

Mr. Norm Miller: I think that's probably good. Thank you, Chair.

The Chair (Mr. Tim Hudak): Thanks very much. So there are two follow-ups: one with respect to the pension issue that Mr. Miller had asked about, and if you could get an answer from the Ministry of Finance, Minister, with respect to the land tax.

Hon. Michael Gravelle: Yes, I've never gone through this before. Is it appropriate for a question to be on another ministry even though we're not that—

The Chair (Mr. Tim Hudak): In certain circumstances, given your advocacy role for northern development, I do find this to be in order, and whatever information you get us from finance—

Hon. Michael Gravelle: We'll get a response, then. Absolutely.

The Chair (Mr. Tim Hudak): Terrific. Thank you very much.

Mr. Bisson, you have 16 minutes for your final round.

Mr. Gilles Bisson: The provincial land tax I'll leave to—I'll come to that later at another ministry. But it's huge and people are hopping mad, as you well know. You were at your meetings in your constituency; I was at mine. Literally, the Ramada Inn was full. They turned away 300 people—one of the biggest meetings I've been to in a long time. It's a little bit like the Boston Tea Party, you know? People are saying, "What, taxes without representation?" Anyway, let's not go there. That's for later.

To pick up on the point I finished with earlier, your ministry has moved from the initial sort of looking at internal applications to NOHFC to farming it out to Deloitte and Touche. I'm wondering: Could you provide this committee with a copy of the tendering documents? They would be public now. If you could provide that to us it would be helpful.

1440

Hon. Michael Gravelle: Absolutely.

Mr. Gilles Bisson: To the point that I made earlier, and I ran out of time, I've got two constituents who contacted me with applications that they made to NOHFC in French. They eventually got responses—it took some time—but they were in English, and one is taking issue with it. So I'm just warning you that that's a bit of an issue, that you should be looking internally at what's going on, because when people are applying for funding at NOHFC in French, they should be responded to in French.

Hon. Michael Gravelle: They certainly should have received a response in French, as I think Mr. McDonald said as well, and my deputy's confirmed that. So we'll look into that.

Mr. Gilles Bisson: Okay. I want to go on to the issue of mining, First Nations, the Mining Act, all of that, in the last 16 or 18 minutes I've got. I guess the simple

question I want to ask you up front is that, being the minister who's responsible for bringing that legislation to the House, should there not be buy-in by the First Nations or the industry or communities, are you still going to go forward? If, let's say, the First Nations say, "Hang on a second; we're not ready," or industry says, "Whoa, you haven't got this right," are you still going to go forward, or is there going to be a revisiting of timelines?

Hon. Michael Gravelle: I think probably the most appropriate and the best response I can give you is that I'm optimistic that—we are having consultations; we are having discussions. I don't want to presuppose the entire discussion process, but I can tell you—and I'm not sure if you were at the Timmins event or not because I couldn't be there—that there were a significant number of mining sector people at the sessions and a significant number of First Nation leaders, and certainly one would not be left with the impression of what you just said happening, based on that, based on the discussions that happened there. There was a very open discussion at the tables—

Mr. Gilles Bisson: I didn't say anything about that yet.

Hon. Michael Gravelle: —and there's no indication that there's not going to be a movement in terms of a—

Mr. Gilles Bisson: I just—

Hon. Michael Gravelle: So I'm just saying that I'm not able to answer that question based on the fact that I don't think we'll have to—

Mr. Gilles Bisson: I just want to—and you would have an appreciation for this as a fellow northern member and somebody who's dealt with First Nations for a while. You know as well as I do that how First Nations view consultation and European governments view consultation are two different things. There's a much different process traditionally, as far as their own traditions, but also that imposed by the Indian Act. The Indian Act has set the chief in council as effectively the authority in communities about decision-making. So you might be dealing with, let's say, regional organizations like NAN or Muskegowuk or Matawa or whoever it might be, but at the end, it's the local communities that have to make these decisions.

So when you say that we've had consultation and we invited people to Timmins and Thunder Bay, you know as well as I do that, first of all, 90% of them probably don't even know this is going on, because most of them live in pretty isolated communities, and if they do know it's going on, there's a bit of a different ramp-up towards understanding what "amendments to the Mining Act" means. First of all, what is the Mining Act? What does it mean? How does it impact me as a First Nation? And what do I have to say about that? There's a whole different process, and I get a little bit nervous when I hear governments of any stripe—mine, yours or anybody else's—talking about, "Well, we're having consultation. We want to get legislation back by sometime in December." They may not be ready, and I think the mistake would be to go forward without making sure that we have buy-in.

There are changes in the Mining Act that I think are necessary; I can support you on some of them. But to say that the Mining Act is the be-all and end-all to resolving the issue with First Nations vis-à-vis access for prospectors onto traditional lands for exploration I think is a little bit over the pale, and I think we need to take seriously comments made by others.

I just want to follow up on something my colleague Mr. Miller—

Hon. Michael Gravelle: Can I just quickly respond a little bit?

Mr. Gilles Bisson: You will, because it's all part of the same.

Mr. Miller made a point and you responded to it. He said, "I've been talking to Chief Stan Beardy and others, and people are not as comfortable"—I forget; I'm paraphrasing—"about the changes to the Mining Act that some would lead us to believe." And you said, "I wish you were standing beside me when I'm talking to them, because that's certainly not the sense that I'm getting from the chiefs." Listen, I'm hearing the same thing, and I'm not even standing with Norm Miller when we're talking to First Nations. There is not, and be very clear about this, complete buy-in by First Nations on the reforms to the Mining Act, and for us to assume at this Legislative Assembly that there is I think is a grave disorder.

I again ask you the question: If First Nations are saying—or industry, because there's not even buy-in by industry; I talked to a number of people who have gone to the consultations in the north around changes to the Mining Act and there was no unanimity on the part even of the mining industry. So I'm going to ask you this question again: If, in the end, and I don't want to presuppose what's going to happen at the end, either industry or the First Nations are saying, "Hang on. Good idea; however, it's not quite right. You need go back and look at some other things," are you prepared, as the minister, to put it off till next spring or next fall in order to make sure that we get it right and we don't end up with imposed decisions from Queen's Park that First Nations and mining industries up north may not agree with?

Hon. Michael Gravelle: We are committed to moving forward and bringing legislation before Christmas, but we also are very keen at the same time to have a very successful consultation process.

I might ask Christine Kaszycki, our ADM for the mining side, just quickly.

One of the things I wanted to say was that in the discussions we're having on the Mining Act modernization, there's been so much that's been done beforehand.

Mr. Gilles Bisson: I'm well aware.

Hon. Michael Gravelle: This has been a very civil process; thank you very much for that. But your own leader said he didn't think we needed consultation. He was quoted in Thunder Bay as saying, "We don't need any consultation. Just do the Mining Act." I thought it was a bit odd when he said that.

Mr. Gilles Bisson: No, you need to understand that if there's anybody who understands First Nations issues, it's Howard Hampton. The point he was trying to make is that having revisions to the Mining Act be the be-all and end-all to resolving issues when it comes to people staking claims on traditional territories so we don't end up with another KI situation like Platinex is a bit beyond the pale, because a lot of the issues have nothing to do with the Mining Act. In fact, you currently have the authority under the Mining Act to do much of what needs to be done that you're consulting about in the first place. So let's be clear here.

Hon. Michael Gravelle: I don't want to get into an argument with you, because this has been a really good, civil process. But what I heard him saying was, "We know what you've got to do. Just do it. You don't need consultation," and I thought, "What an odd thing to be hearing from somebody who should understand better."

Mr. Gilles Bisson: We've had this conversation, and the comments he was making were related to the powers that you currently have, as minister, to deal with some of these issues.

Hon. Michael Gravelle: Christine, if you don't mind, could you just—

The Chair (Mr. Tim Hudak): Could I just get her to introduce herself for the sake of Hansard?

Ms. Christine Kaszycki: I'm Christine Kaszycki, assistant deputy minister, mines and minerals division.

So—

Hon. Michael Gravelle: Aboriginal engagement.

Ms. Christine Kaszycki: Yes, thank you. As the minister indicated, we've been out talking to First Nations communities and organizations for the better part of a year now. I think the minister did a very good job of summarizing the level of activity and some of the initial steps we've taken as part of the process we're engaged in now with respect to modernizing the Mining Act.

When we launched the process on August 11, shortly thereafter we had distributed copies of the discussion paper to all First Nations communities across the province. An executive summary that was translated into three First Nations languages accompanied that, and the discussion paper itself is currently being translated as well and will be made available as soon as that's completed. That's just the first step. In addition to that, we'd indicated to chiefs and councils that we would be coming back out and requesting their input through a variety of different mechanisms. So obviously they were encouraged to respond individually, if they so chose, with respect to any ideas or comments they may have.

We're working with political organizations to build capacity from a technical perspective, to review the Mining Act and provide feedback, and we'll be hosting community-based workshops across the province where we will be ensuring that two representatives from each community are invited to participate and provide direct input.

Mr. Gilles Bisson: And all of this leading up to the passage of a bill by December of this year?

Hon. Michael Gravelle: Not passage; introduction.

Mr. Gilles Bisson: Well, even introduction. The point I'm making is this—and you would know because you've been working in this field for a long time. I use the community of Attawapiskat as an example. When they set out to negotiate an impact benefit agreement with De Beers, the biggest obstacle to getting an agreement was getting the community to understand what a diamond mine is—very basic questions—what it is worth, what impacts it is going to have on our community, how it relates to our traditional values, and a whole bunch of ancillary questions that came out of that, because nobody's had to deal with a diamond mine before in Attawapiskat, let alone a gold mine.

That's why I'm just trying to caution you—and I'm not doing this in a partisan sense. The relationship between not just your government but the province and First Nations and the federal government is changing, because First Nations are now starting to become much more aware of what's going on and are becoming much more involved and are becoming much more demanding, rightfully so, of what should or shouldn't be happening on traditional lands. If we're seen as the province coming down with the Big Brother attitude, "We know what's best for you. We've talked to a few chiefs here and there and we've talked to the PTOs. We've got this all worked out, and we've sent out documents in three official First Nations languages," that may not be where the youth is at in a community. That may not be where a majority of the community's at—even with the band council in any community. I'm just saying, we need to get this right.

1450

I've been championing many of these issues in this Legislature for a long time. In fact, I'm the one who came up with the idea of revenue-sharing, land-use planning and all of this stuff. I've been pushing this stuff from the time the Tories were in power, when I first ended up with Timmins-James Bay as a riding. I don't want to hold you up, but I want to make sure we get it right. That's why I'm saying to you, if at the end they're not ready, either industry or First Nations, I strongly suggest that we don't try to ram this down anybody's throat, that we do it right so that there's buy-in on the part of First Nations and on the part of industry, to say, "Yes, this is the right thing to do." Because you know what? You were right in your earlier comment: Some of them are already there. There's been a memorandum of understanding signed between First Nations and the Ontario Mining Association. NAN is certainly there, Mushkegowuk council, Matawa. They're certainly a long ways toward getting there but they're not quite there yet, and the worst thing we can do, the biggest disservice, is to shove this thing down. I really have to say that in the strongest of terms, with all due respect.

Do you want to make a comment? Then I'm going to—

Hon. Michael Gravelle: Again, I remain optimistic that the consultation process will bring us forward and put us in a position to bring forth the legislation. I don't

think there's much value for me to be saying, "What would happen if it doesn't work out?" We have had a very significant engagement with our aboriginal partners, as well as the mining sector itself, and we're going to continue that on. So our goal remains, and will remain, to bring forward legislation, certainly in the fall session, and then—if it's passed, it would pass sometime next year—and regulations as well. So that's our goal and that's going to remain my goal.

Mr. Gilles Bisson: The other part of it, and you raised it at the end, is the regulation part. Currently within the Mining Act most of the powers that you have as a minister are under the regulations, and most of the regulations give you the ability to do what it is that you have to do in the first place, I would argue. Read the Mining Act. I've gone back and read it a couple of times.

My request is this: In developing the regulations, because that's where the meat and the substance of this thing is going to be, are you prepared to commit to a process—should we have the initial buy-in by First Nations and industry, to say, "Yes, we want to go forward with reforms to the Mining Act," is there any commitment on behalf of yourself as the minister, representative of the government, to say, "We will ensure that industry and First Nations are an integral part of developing the regulations around this"? The regulations are going to make or break this.

Hon. Michael Gravelle: We're working through a process of consultation now, where the involvement of not just First Nations, not just the mining sector, but obviously communities, is very important. We want to put together the best possible legislation that people can recognize as finding that balance. This is all about balance. I think you'd be the first to agree with me on that. How do we find that balance between maintaining a positive investment climate, particularly at this time, when there are other challenges in other sectors, and fully respecting the rights and the consultation and accommodation requirements of First Nations? That's going to be our balance. We're committed to find that balance, to get the legislation right, and then to move forward and try to make sure the process is completed in a fashion that is embraced ultimately by all. I'm not sure we're going to be able to do that, but that's the goal. Certainly we're trying to be as open as we can with all those partners in the discussion.

Mr. Gilles Bisson: I'm running out of time, so I'm going to ask you the last question. This is something I'd want reported back to the committee. Can you provide the committee with the cost to the Ministry of Northern Development and Mines associated with the KI First Nation dispute with PlatineX; how much did it cost you? If we can get that reported back to the committee.

The Chair (Mr. Tim Hudak): Sorry, I couldn't hear what the request was.

Mr. Gilles Bisson: The amount of money that the Ministry of Northern Development and Mines had to spend in order to deal with the PlatineX situation in KI.

It's in keeping with the question we had asked aboriginal affairs.

The Chair (Mr. Tim Hudak): Yes.

Mr. Gilles Bisson: On that, thank you, Minister, for being here. Again, I really want to caution you on the Mining Act reform. I think there's a lot of buy-in in order to do Mining Act reform. I support some of what's being done in there. I would argue that some of it could be done now with your regulatory authority, but we'll have that discussion later. Please, don't rush this to the extent of trying to say, "Well, here we've got some legislation. What a great thing," because we'll end up with more than KIs out there. Just mark my words: The youth in First Nations communities, as you well understand, are looking at this stuff a lot differently than my generation and the generation before. They're a lot less patient and probably much more militant than we'd like, and rightfully so. So I ask you: Please get this right. This is our one chance at trying to fix what has been a pretty bad record for the last 100 years.

The Chair (Mr. Tim Hudak): That does conclude our time. I'll take that as a statement. Mr. Bisson, if you get a chance either now or at the end of committee to meet with Mr. Richmond, just to get clarification on your two questions around Deloitte and Touche and the KI costs—

Interjections.

Hon. Michael Gravelle: We actually have it. Can I just provide that, Chair?

The Chair (Mr. Tim Hudak): With respect to—I'm sorry.

Hon. Michael Gravelle: The KI costs; how much our ministry spent in terms of—

Mr. Gilles Bisson: Can I see it? I'll just let you know if it's the answer we're—

Hon. Michael Gravelle: Well, no. Eighty-one thousand dollars was spent by the ministry to help resolve the dispute. I think we should probably include this part here: Cam Clark, as you know, the former deputy minister, was brought into the negotiations, and his costs were \$31,000.

Mr. Gilles Bisson: So that was the total amount expended by your ministry?

Hon. Michael Gravelle: Eighty-one thousand dollars, including the \$31,000.

Mr. Gilles Bisson: Thank you.

The Chair (Mr. Tim Hudak): Thank you, Minister, for the snappy response to Monsieur Bisson's question.

We'll now proceed with the government, which is the last 16-minute segment, and conclude our estimates for northern development and mines. Mr. Rinaldi.

Mr. Lou Rinaldi: All good things come to an end.

I really don't have any questions, Minister, but I want to take the opportunity to thank you and your staff for being prepared for estimates today. I think it went really well. I know that I certainly learned a lot, and I'm sure members from the opposition did the same, so I want to thank you for that.

Having said that, I just want to allow you to use our time or part of our time to highlight a little bit more the growth plan for northern Ontario, because I know how important that is to them. I was involved in the greater Golden Horseshoe with the ministry of infrastructure when we first formed government, and I know what kind of role that played in southern and central Ontario.

Also, I know we spent a lot of time revising the Mining Act, so maybe you could just wrap up with some comments about that.

Hon. Michael Gravelle: I appreciate your kind comments. I also want to thank my deputy, Kevin Costante, and all my ADMs and all those involved in the process in the ministry. It is a serious venture for a ministry to be going before estimates and we take it very, very seriously. I hope it has been valuable and useful. I appreciate the participation of all our members.

I certainly won't use the 16 minutes to wrap up. Is that okay?

Mr. Gilles Bisson: I'm heartbroken.

Interjections.

Hon. Michael Gravelle: Certainly, I was very proud to be asked by the Premier to be the Minister of Northern Development and Mines. It's an exciting time to be in this position and it's a challenging time. I think there are some extremely positive aspects in terms of northern economic development and they do relate to the opportunities we get through the Northern Ontario Heritage Fund Corp. May I say, even with the challenges we're facing with the Mining Act, at the end of the day with the Mining Act review, I think the time has come for us to move forward on that, and we're going to do our best to move forward in a positive way. As I mentioned when I was just speaking with Mr. Bisson, the challenge will be to find the balance in the legislation that we bring forward related to maintaining the very positive investment climate and, at the same time, respecting the community's right to make decisions regarding what economic development happens on their lands, particularly their traditional lands. That's something that we think is very important.

We are very excited about the growth plan. This is another aspect of our ministry that I'm pleased to be working with the Minister of Energy and Infrastructure on. We do believe in northern Ontario that there are reasons for hope and reasons for optimism, and the growth plan is one of the vehicles by which we're going to find them. We're going to make some decisions as northerners. The exciting thing about the growth plan is that this is our plan; it is northerners' plan. It will be coming out of the north, and at the end of the day, the report that comes forward will be a plan created by northerners for northerners. That means a lot to us in the north.

I appreciate all the comments that I've received from the members of the opposition, Mr. Miller and Mr. Bisson, and their suggestions and thoughts on everything related to my ministry. It is a busy ministry. We're going through some pretty interesting times, but by nature I am an optimist, and I am going to continue to move forward positively and hopefully continue to make some good decisions for our ministry.

I'm grateful, again, to everyone who has helped me get through this process today.

With that, I'll thank all the members, wrap up and say thank you, Mr. Chair, for your kindness as well.

The Chair (Mr. Tim Hudak): So there are no further questions from the government members? All right, we will proceed now to the votes, but to the minister, his deputy minister and staff, thank you very much for your participation and your prompt response to questions today. And to all members of the committee: a very civil discussion, a very informative debate. So to the critics and members of the committee as well, thank you for that very enjoyable tone. That does conclude the time for our question-and-answer portion of estimates and statements.

We'll now proceed to the votes. We have three specific votes.

For the Ministry of Northern Development and Mines, shall vote 2201 carry? Carried.

Shall vote 2202 carry? Carried.

Shall vote 2203 carry? Carried.

Shall the estimates of the Ministry of Northern Development and Mines carry? Carried.

Shall I report the estimates of the Ministry of Northern Development and Mines to the House? That's a yes; will do.

That concludes our time for northern development and mines. I didn't have to use the gavel once today, as a matter of fact, which may be—I don't know—a record.

Hon. Michael Gravelle: No, you didn't.

Mr. Gilles Bisson: What is this Chair coming to?

Interjection.

The Chair (Mr. Tim Hudak): I will use it for the end, yes.

We will be meeting tomorrow morning, same room, at 9 a.m. for the Ministry of Research and Innovation, until noon.

Mr. Gilles Bisson: On a point of order, Mr. Chair. Just for the record, we're expecting our first grandchild probably tomorrow, so if I ain't here, don't pull any quick tricks: I'll be doing other things.

The Chair (Mr. Tim Hudak): The best to your daughter and family with that exciting news.

Folks, for today we are now adjourned.

The committee adjourned at 1501.

CONTENTS

Wednesday 3 September 2008

Ministry of Northern Development and Mines	E-233
Hon. Michael Gravelle, minister	
Mr. Tom Marcolini, manager, programs and transportation branch	
Mr. Kevin Costante, deputy minister	
Mr. Cal McDonald, assistant deputy minister, northern development division	
Mr. Don Ignacy, chief administrative officer and assistant deputy minister, corporate management division	
Ms. Christine Kaszycki, assistant deputy minister, mines and minerals division	

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Jeudi 4 septembre 2008

Standing Committee on Estimates

Ministry of Research and
Innovation

Comité permanent des budgets des dépenses

Ministère de la Recherche et de
l'Innovation

Chair: Tim Hudak
Clerk: Sylwia Przedziecki

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STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Thursday 4 September 2008

Jeudi 4 septembre 2008

*The committee met at 0910 in room 151.*MINISTRY OF RESEARCH AND
INNOVATION

The Chair (Mr. Tim Hudak): Good morning, folks. The Chair apologizes; I got caught in traffic this morning. Welcome to Minister Wilkinson and the team from the Ministry of Research and Innovation.

Is this an introductory comment, Mr. Rinaldi?

Mr. Lou Rinaldi: No, it's just a point of order, Chair: I know Mr. Bisson yesterday put us on notice that he was going to be a grandfather for the first time and that he may have to scoot off. I'd like to report that we have a new Liberal in the province of Ontario: my ninth grandchild, this morning at 7 o'clock. It's a boy.

Interjection.

Mr. Lou Rinaldi: The Liberals are alive and well.

The Chair (Mr. Tim Hudak): Congratulations to the family, Mr. Rinaldi, and our best wishes to Mr. Bisson, who I think has to head to Timmins to welcome his first grandchild into the world today.

We have a couple of options. If there's nobody from the third party, they could miss their time, if all the committee members agree, and they could stack their time next time the committee meets. I'll leave that up to committee members to decide. I think Mr. Bisson was looking for a substitute this morning.

Interjection.

The Chair (Mr. Tim Hudak): He was going to do his best. If nobody shows up at the time they have their time, the committee can then decide how to proceed.

We are here for the consideration of the estimates of the Ministry of Research and Innovation, for a total of seven hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so the ministry can respond accordingly and on a timely basis. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer. Any questions on procedure before we start?

We had agreed yesterday, at the request of some committee members, to conclude today's hearings at noon, and then the remaining time would be taken up when the Legislature comes back into session. We heard that the

minister—and we appreciate him adapting to the change in the committee's schedule—is not able to join us for the Tuesday morning meeting, if the House resumes on the 22nd as planned, so we would—

Mr. Lou Rinaldi: The 23rd.

The Chair (Mr. Tim Hudak): —the 23rd for committee—so we would start with the afternoon committee session.

I now call vote 4301. We'll begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and the third party, if able. Then the minister has 30 minutes for concluding remarks or a reply to the critics, and the remaining time will then be apportioned equally among all three parties.

Minister Wilkinson, welcome, sir. I would ask you to introduce those who are sitting with you at the front bench. Now, sir, the floor is yours.

Hon. John Wilkinson: Thank you, Mr. Chairman. I look forward to answering the questions of this committee in regard to the estimates of the Ministry of Research and Innovation. I am joined today by my deputy minister, George Ross; our assistant deputy minister, Rob Taylor; and our chief administrative officer, David Clifford. Behind me is our crack team from MRI.

Allow me to take the next half hour and share with you a vision about Ontario's future, the kind of future that I believe that we all want, the kind of future that we must seize together, where families don't just get by, they get ahead; where Ontario companies don't just survive, they thrive; an Ontario that is not just focused on holding on to what we have, but is always willing and able to grasp new possibilities.

Of course, this is nothing new. Ontario is blessed with fertile land and abundant resources and happens to be located next to the largest consumer market in the world. But turning that opportunity into prosperity has not always been easy nor inevitable. Fortunately, innovation and imagination are ingrained in our culture, along with a deep and abiding desire of generation after generation of Ontarians to leave to their children and their grandchildren a stronger economy and a better quality of life, to leave our children with a better future. So today I want to pose a question: What world, what sort of future, will we leave our children? We face this question at a time of profound global change.

Ontario has a strong legacy of leadership in science and technology, and I think it's fair to say that Ontario governments of all stripes have, over the past generation, understood the importance of building on our strong science and research capacity in this province. These ongoing investments mean that today Ontario continues to punch far above its weight when it comes to our capacity to push the boundaries of science, technology, innovation and ingenuity, to research, discover, invent and ultimately to sell our ideas to the world.

As we move into an age where knowledge, information and innovation are the basic building blocks for generating new business, for growing the economy and creating new jobs, this history of innovation and ingenuity is an incredible legacy for Ontario. But our science and technology prowess on its own will not automatically translate into a new, higher quality of life, new businesses and new jobs for Ontario families. We must do more.

We need to support our talented entrepreneurs. Innovative people and companies need access to capital and a supportive business environment. And we need to not only continue but increase exponentially our tradition of investing in science and technology and training to ensure that Ontario can continue to attract and retain the most important renewable resource for the new economy: talented people.

Investing in our talent, in people, is the key to creating a culture of innovation; a culture of innovation is the key to competing and winning in the 21st-century global economy. That's why the McGuinty government has made this a top priority. That's why investing in people and innovation is a critical component of our five-point economic plan to strengthen our economy.

It's also a part of our plan to make this province the best place in the world to start and grow an innovative business. That plan is known as Ontario's innovation agenda. Supported by \$3 billion over eight years, Ontario's innovation agenda represents a landmark commitment to research and innovation that will ensure Ontario takes advantage of global change and turns the global challenges we face into an opportunity to reinvent ourselves, to reform the status quo, to lead the world in new, global industries that will generate new businesses, new jobs and a better quality of life for our children and our future.

Now, make no mistake: We are living in a time of tremendous global change. It's everywhere, it's fast, and it's only going to get faster. In just the time since our government took office, the Chinese economy has grown by some 50%, the TSX composite index has nearly doubled, Wal-Mart has opened 2,000 new stores, Facebook has gone from a dorm room project to a global phenomenon with over 100 million users, and YouTube was born and continues to plague politicians around the world.

Change doesn't just fascinate us, it affects us, and right now, it's challenging us. Since its low in the beginning of 2002, the Canadian dollar has risen over

50%, to a high last summer of \$1.10. From January 2007, the price of a barrel of crude oil has nearly doubled, rising from around \$55 to well over \$100; at one point, I think, \$147. And the economy of our largest trading partner, the United States, has slowed considerably, hurting demand for our exports.

These three changes alone are fundamentally changing Ontario's economy. We're fortunate that large parts of our economy have remained amazingly resilient, but that does not lessen the fact that these changes are hurting our manufacturing and resource sectors and the families that rely upon them for a living.

And it's not just Ontario. Now more than ever, humanity faces challenges. Climate change has raised challenging questions about the sustainability of our very way of life. We need new, cleaner, more sustainable ways to generate energy. An aging population is putting ever greater demands on our world-class, publicly funded health care system. Today, one half of all provincial spending is devoted to health care. Maintaining that quality and service presents a challenge for us all, and we must aim to do better than just maintaining what we have.

Take the fact that the Canadian Cancer Society estimates that 73,800 people in this country will die of cancer this year. Everyone in this room knows someone whose life has been impacted by this terrible disease. This is just one stark example of why we must aim beyond saving health care and instead find ways to improve it, not only by providing better care for people who are sick but also by turning the incurable into the curable and, even better than that, the preventable.

0920

In the face of these and other unprecedented global challenges, buffeted by the forces of globalization, the status quo is just not good enough. The Premier believes, as do I, that without a clear plan to seize these global opportunities, Ontario will fall behind. And whether Ontario simply weathers these changes or discovers opportunities within them depends on the choices that we make today. So we are faced with a choice. We can continue to do what we've done in the past and hope that we can hold on to the prosperity our parents and grandparents had built for us, or we can lead the way. We can fear the global challenges before us or we can, instead, embrace them as the next generation of opportunities for Ontario. We can fear the global change that we see or we can be the change that we want to see in the world.

So let me share with you the choice our government has made. We have chosen that this province will continue to be home for an extraordinary standard of living and fulfill the hopes and dreams that we have for our children and our grandchildren. Our government believes that the best way to do that is not to stand in the way of global change but to find a way to make change positive for Ontario. Rather than simply react to change, we believe we can be a catalyst to help drive change.

Given the shifts in the global economy, it's clear that we can no longer compete based on being in a low-cost jurisdiction, not if we want to continue to generate good-paying jobs and leave to future generations a higher quality of life. Our economic prosperity will depend on our ability to take great ideas and get to the global market first with new and innovative products. We will move forward by building on the strong foundation that we've inherited.

Ontario's history is full of smart people with big ideas who have changed the world. From discovering insulin and stem cells to inventing IMAX, to the science and technology that helped put a man on the moon and robots on Mars, and of course, from a couple of smart fellows in Waterloo who invented the BlackBerry, the device that has sparked a global wireless revolution, we have a tremendous legacy of innovation, a strong foundation on which to build our economic future. But today, in an age where innovation is a key ingredient for prosperity, Ontario must go far beyond simply being a place where innovation happens. We must become a place where innovation is inevitable.

Premier McGuinty has always recognized the incredible untapped potential that lies within Ontarians. Since the time our government first took office, he has made education and innovation a priority. Both are key pillars of our five-point economic plan, a road map to making Ontario more prosperous today and into the future. I believe that it's the right plan for the times we are in.

First, we're cutting business taxes, the capital tax that business told us to cut first. Second, we're making the largest investment ever in Ontario's infrastructure, some \$60 billion over 10 years. I was pleased just last week that the Premier was at AMO and announced another \$1.1 billion in infrastructure for our municipal partners. Third, rather than trying to foresee the future, we're giving Ontarians the skills they need to invent it. Today, as a result of our investments in education, we have 10,000 more kids per year graduating from high schools; 25,000 more students per year pursuing skilled trades; and 100,000 more students per year attending college or university. I believe that that is a competitive advantage to lead with. Something that many people do not know is that Ontario can now claim the highest percentage of people with a post-secondary education in the G7. Fourth, we're partnering with businesses in key sectors in order to secure high-paying jobs and ignite growth in the industries that will shape our future. We're saying to business we're not here to bail you out, but we are here to help you build us all up. So if you're investing to seize global market opportunities, to grow stronger, to create more jobs, to build a more competitive Ontario, we want to work with you.

That brings me to point number 5, the visionary part of our economic plan: Ontario's \$3-billion innovation agenda, which ties everything together. It reflects our government's commitment to the economy, health care and the environment. It reflects what innovators and

business leaders across the province told us we must do to create a culture of innovation that will permeate our province, to build Ontario's economic future on the strengths of our creative people, diverse cultures, highly skilled workforce, world-class education system and our internationally recognized research community. Here's what we believe: Government must act as a catalyst. Our government understands business and we have no intentions of interfering with the market. And we understand science. We know that basic and applied science must never be influenced by political science. We are committed to peer-reviewed research excellence. But instead of just assuming that somehow business and research will interact on their own, we believe that government must act as a catalyst. To do that, government must do a better job of extracting value from research excellence. Ontario is home to world-class talent and research, and we intend to maintain our \$625-million commitment to basic and applied research in areas where we are or can be the best in the world. But now we have to go even further. We need to partner with innovative companies to make sure research excellence and great ideas are translated into thriving businesses and new jobs. That's why we're proposing a 10-year corporate tax exemption for new Ontario corporations that commercialize in Ontario patented intellectual property discovered at Canadian universities, colleges, academic hospitals and research institutes. This is a North American first. We are doing this to send a powerful signal to researchers and industry here and around the world that Ontario is the place to be.

We also believe that to be an effective partner for innovators across this province, government must work much faster. Instead of operating at the leisurely pace of the old economy, we need to operate at the speed of the new economy, at the speed of business. That's why when we recently introduced our \$1.15-billion Next Generation of Jobs Fund, it came with the world's first 45-day service guarantee.

To translate innovation into prosperity, government must focus and coordinate its efforts on sectors where we have the research and business capabilities to not only compete but to dominate world markets. Here are our priorities:

- conquering disease through the life sciences, biotechnology, pharmaceutical research and advances in medical devices;

- advancing and expanding the digital universe through new media at the cutting edge of information and communications technology; and

- sustaining humanity through bio-based environmental and alternative energy technologies.

These areas are very likely to produce the next wave of global companies, and we are determined that the most successful of these companies will call Ontario home.

Finally, we need to work together to do a better job of telling Ontario's innovation story. We must all do a better job of celebrating and communicating this province's success stories to Ontarians and around the

world. If we can do that instead of combing the world for opportunities, opportunities will come knocking on our door.

Our government's commitment to innovation is already creating results: new solutions to pressing global challenges, new companies and new jobs. During my appearance before this committee, I will want to share with you just some of these inspiring results.

In previous centuries, there was a very simple economic formula: If you could find a local solution to a local problem, you would gain a local market and enjoy economic success. But in this new millennium, that formula fails to address the reality of globalization. The McGuinty government believes that the new formula for economic success in the global economy is simply that in the face of a global problem, if we can focus our global research excellence in coming up with even a slice of a global solution, Ontario will have global capital and the global market will beat a path to our door. This formula is not theoretical.

Let me share with you just one example of this new, powerful formula at work right here in Ontario. The world is desperately seeking a solution to the global problem of cancer. According to the World Health Organization, deaths from cancer are on the rise globally. Worldwide, they estimate nine million people will die in 2015, rising to 11.4 million people in 2030. The world is searching for a solution to this problem. Our province has a reputation for global research excellence in biomedical life sciences. We employ 10,000 scientists and researchers who conduct \$850 million in research every year, and Ontario is now the third-largest biomedical research centre in all of North America. In 2005, our government created the Ontario Institute for Cancer Research, or OICR, led by the world-renowned scientist Dr. Tom Hudson. It has aligned our considerable strengths around prevention, detection, diagnosis and treatment. We know that if we want to be the best, we have to be prepared to make a proportionate investment. That's why Ontario is in the midst of a five-year, \$347-million commitment to OICR. It's a significant investment, but we think it's a wise one, and it is attracting global capital. For example, the private sector is investing some \$300 million to build phase 2 of MaRS, the home of OICR, just across the street from Queen's Park. As a result of our investments in the global quest against cancer, Ontario is now leading the world.

0930

Just a few months ago, the world awoke to the creation of the International Cancer Genome Consortium. The goal of this consortium is a coordinated, global effort to unlock the genome of the 50 most common cancer tumours that plague humanity. Our own Ontario Institute for Cancer Research has been chosen to be the global secretariat—in short, to be the world headquarters of this global effort, one of the largest scientific projects in history. This project will generate 25,000 times more data than the Human Genome Project. I'm particularly proud that when the consortium needed someone to

coordinate all of this data, they turned to Ontario, the only sub-national jurisdiction that is a partner in this international effort. And, specifically, they turned to OICR.

In essence, we must create the largest health informatics database in history. We, Ontario, are in the forefront of discovering a global solution to cancer. Ontario, through the Ministry of Research and Innovation, has allocated an additional \$10 million to OICR to meet this challenge and this opportunity. The global market will beat a path to Ontario's door, and we must be ready to commercialize this for the benefit of our province. This is just one powerful example of many that demonstrates how Ontario researchers are among the very best in the world and how they are applying their talents to tackle global challenges.

Very few issues are as global as the spread of infectious disease. Anyone who was in this city during the SARS crisis knows just how rapidly a disease can travel and how quickly it can alter the lives of all it touches. Earlier this year, I had the opportunity to tour the lab of one of the researchers we support next door at the University of Toronto. Dr. Warren Chan and his team are developing a portable tool using cutting edge nanotechnology that will quickly diagnose whether or not a person has an infectious disease, a critical step in containing outbreaks. It's just one small example of the kinds of amazing things that are happening at research labs right across this province. Smart people in this province are not only leading the world in their area of study, they are helping to improve the lives of families living in Ontario and around the world.

In an age where great ideas fuel the knowledge economy, our commitment to world-class research is also making Ontario a magnet for truly talented researchers. We've made significant commitments to leading researchers and to build world-class research institutions. I think of new institutes like the Perimeter Institute for Theoretical Physics, the Waterloo Institute for Quantum Computing and the Sudbury Neutrino Observatory lab.

The adage, "If you build it, they will come," is proving to be true. In fact, the director for the Institute for Quantum Computing, Dr. Raymond Laflamme, came from the famed Los Alamos National Laboratory in New Mexico. Similarly, Dr. Neil Turok, a world-leading physicist and Stephen Hawking's collaborator, left Cambridge University in England to become the new scientific director of the Perimeter Institute. Dr. Tony Pawson of Mount Sinai Hospital was recently awarded the Kyoto Prize, the first Canadian scientist to be honoured. He is now a leading candidate for a Nobel Prize. In the knowledge economy, talent of this calibre is a significant competitive advantage.

World-changing ideas become new companies and new jobs when they are transformed into marketable products when they are commercialized. That's why our efforts to support innovation are balanced between the generation of new ideas through research on the one hand and efforts to commercialize the results on the other. But

moving a promising innovation to market is not an easy task. Many elements must come together to make it happen.

Success means building connections between people with the right skills—technical, business and marketing—and they're all needed to create a winning product or service. It means creating business plans, building prototypes and demonstrations, developing the innovation into a saleable product. It means finding the support needed to grow an innovative company into a global powerhouse, and Ontario is partnering with innovators at every step in this process to ensure made-in-Ontario ideas become new Ontario companies and new Ontario jobs.

Ultimately, commercializing and innovation is a team sport, and that's why Ontario has built a commercialization network across the province to ensure that people with different skills can connect, help each other out and work together to move new innovations to market. Stretching from southwestern Ontario to Ottawa, from Toronto to the north, the network is tapping into local expertise across the province to help build globally competitive companies. We've committed \$74.7 million to support this network, to create connections within Ontario, across Canada and around the world.

We are committed to supporting MaRS, which, along with being the home base for Ontario's commercialization network, is also implementing the business mentorship and entrepreneurship program, or BMEP, on behalf of Ontario. With the help of BMEP, high-potential companies can access the mentorship that they need to learn how to successfully take ideas to the marketplace. In fact, BMEP has eight entrepreneurs in residence acting as mentors in locations throughout Ontario, including Waterloo, Ottawa, Markham, Toronto, London and Mississauga. Working at the grassroots level, Ontario's commercialization network is building on local strengths and expertise to make this province globally competitive.

Developing a brilliant innovation is only half the battle. Getting it to market is critical if we want to compete and prosper. That's why ensuring great ideas within our focus areas make it to market is a critical part of Ontario's innovation agenda. I've already mentioned our 10-year corporate tax exemption for new Ontario corporations that commercialize innovations coming out of our Canadian research institutions. But that's just one component of our efforts to make sure innovative entrepreneurs have the help they need. Take, for example, our innovation demonstration fund, a \$30-million fund that invests in the commercialization and initial demonstration of globally competitive innovations, particularly those in the clean technology area.

One of the projects we are supporting is a technology demonstration project by Menova Energy, an Ontario company doing really interesting things in solar energy. The project we're supporting will create Canada's largest solar rooftop energy system. The technology takes advantage of a pretty simple principle: If you focus the

sun's rays, you get a lot of heat and energy. Of course, every mischievous kid with a magnifying glass has figured that out. Turning this principle into something useful took a lot of innovative thinking and hard work. What Menova has created is a solar concentrator—essentially, curved mirrors that literally follow the sun to capture and focus its power. That makes it possible to harness the sun to heat, cool and generate the electricity needed for large buildings, like the 220,000-square-foot Wal-Mart super centre that will be built in Markham.

But that's not all. The really interesting part of this project is the partnership with a company called Woodbine Tool and Die. Woodbine's traditional customers are in the automotive sector, and business has slowed of late. Enter Menova, who is partnering with Woodbine to manufacture the equipment needed for the demonstration.

We're also investing in 6N Silicon, a company producing the material needed to make solar panels more efficiently, and at a better price. We supported 6N through the innovation demonstration fund, and that success led to the recent \$8-million investment, through our Next Generation of Jobs Fund, to create a new manufacturing plant in Vaughan. The company expects to create 84 new jobs at the plant and that many of these employees will be former auto workers who have transferred their skills from one sector to another, from auto tech to green tech.

These are both great examples of what have been dubbed green-collar jobs, aiming Ontario's manufacturing prowess at making innovative, clean technologies, the kind of products that will be in demand for decades to come right around the world. That's also a great example of how instead of resisting change, we can take advantage of it, even benefit.

Can Ontario become a leader in manufacturing green technologies? Can we take the knowledge we've built as a leading manufacturing centre and apply it to new and growing global markets? Can we build on the sparks we've seen with Menova, 6N and so many other companies and ignite a new era of advanced manufacturing in this province? I believe that we can, and I believe that we all want that to happen.

Mr. Chair, I have how many more minutes?

The Chair (Mr. Tim Hudak): Four minutes.

Hon. John Wilkinson: Thanks.

Another important element of commercialization is encouraging innovative companies to do more R&D here. That establishes high-value jobs in Ontario and, in the case of global companies, creates an instant path between innovation in this province and international markets. That's why our \$1.15-billion Next Generation of Jobs Fund is so important. It's designed to work at the speed of business and encourage companies to innovate right here in Ontario.

Our first successful application to the fund was Sanofi Pasteur. We received the company's application, reviewed it, approved it and signed a term sheet in well under 45 days. And the result? A \$100-million expan-

sion, 300 construction jobs, 900 existing R&D jobs secured—30 new ones—and a commitment for over half a billion dollars of R&D investment over the next five years. It's the kind of investment that's creating jobs today and will generate new innovations and new jobs into the future.

0940

Mr. Chair, I have other things that I'm sure we'll talk about, but in the essence of time—and I believe I have some extra time at the end of this process—

The Chair (Mr. Tim Hudak): You do.

Hon. John Wilkinson: —I do want to conclude that I think all around the table, we collectively, all three parties that have formed government over the last generation, have made tremendous investments in science and technology. We should all be proud of that. In the 21st century, the challenge is how to take that investment and turn it to our advantage in the new global economy. We believe that we have a formula for that. We do not want to be the first generation to leave to our children and grandchildren a lower quality of life than was left to us by our parents and grandparents. I believe that the innovation agenda is something that transcends politics. I believe that it is something that we all want for our children and grandchildren. Every day at the Ministry of Research and Innovation we work as hard as we can to try to introduce the future to the present just as quickly as possible.

I would be pleased to answer any questions that this committee has of the estimates of the Ministry of Research and Innovation.

The Chair (Mr. Tim Hudak): Outstanding, Minister. Thank you for the opening remarks. Just to remind members of procedure, then, we have 30 minutes for the official opposition. If a member of the third party comes in that time, then he or she would have 30 minutes; and then back to the minister for a wrap-up or responses for 30 minutes. Then we'll go into, I would expect, 20-minute segments, depending on what time we finish. We'll divide up the time evenly before noon. Why don't we proceed with Ms. Scott on behalf of the official opposition and then we'll make a judgment call with respect to the presence of the third party today. Ms. Scott, you have 30 minutes.

Ms. Laurie Scott: Thank you very much, Minister, for appearing before us today on the committee. You've given us quite a long briefing. We will have some pointed questions, I think, to that. You are correct that governments need to make investments in research and innovation and there has been some movement in previous governments. We're happy to see that under the previous PC government MaRS was developed and you've continued and expanded that agenda with MaRS.

I guess my one question to start with is, who developed the innovation agenda? I ask that in that I wanted to know who from industry, who from labour, who from academia—in general, who was consulted to develop the innovation agenda?

Hon. John Wilkinson: Thanks for that question. You'll recall that the Premier created the Ministry of Research and Innovation in 2005. Using the power that one has as a Premier to persuade others to come to a common cause, he was able to strike something called the Ontario Research and Innovation Council, a blue ribbon panel of both researchers and business leaders. I know that my staff is busy getting me the list of those who served on ORIC for me. They were tasked by the Premier to give him far-reaching advice as to how we can transform our R&D investments into an innovative economy.

So I would say, first, there was the tremendous leadership shown by ORIC, and I can tell you that the members who served on ORIC were Dr. Adam Chowniec, who many of you know is the CEO of Tundra Semiconductor; Doug Barber, who was the founder of Gennum Corp.; Dominic D'Alessandro, who is the president and CEO of Manulife Financial; Mike Lazaridis, who is president and co-CEO and co-founder of Research in Motion; Dr. Tak Mak, the director of the Campbell Family Institute for Breast Cancer Research at Princess Margaret Hospital. Of course, in 1984, people will know, Dr. Mak isolated the gene that makes T-cell receptors and the T-cell receptor identifies normal cells as intruders and mistakenly begins attacking them. It's fundamental. That's the quality of the researchers around the table.

Dr. John Mann is a former director of engineering and regulatory affairs at DaimlerChrysler; Elspeth Murray was the vice-chair of the committee. She's the managing director of the Queen's Centre for Business Venturing. Dr. Gilles Patry, who just recently finished being the president and vice-chancellor of the University of Ottawa; Dr. Janet Rossant, a leading geneticist from Sick Kids; Dr. Molly Shoichet, who is a professor of chemical engineering and applied chemistry at the University of Toronto; Dr. Mamdouh Shoukri, who is now the president and vice-chancellor at York University, and when he started he was the vice-president of research at McMaster; Dr. Ilse Treurnicht, who, as many of you know, is the CEO of the MaRS Discovery District; and finally, also Tom Vair, who is the executive director of the Sault Ste. Marie Innovation Centre.

That was the blue ribbon panel of eminent Ontarians who advised the Premier.

The Chair (Mr. Tim Hudak): Minister, sorry to interrupt. Could you get one of your staff to give us a copy of that just for the sake of Hansard for the spelling of the names and such?

Hon. John Wilkinson: Yes, we'll provide that, and their biographies.

The Chair (Mr. Tim Hudak): Thank you.

Hon. John Wilkinson: I'll just finish up. There is a kind of three-pronged approach. The other thing, of course, is that we brought in Dr. Alastair Glass—we stole him away from Ireland—a leading expert on the global stage about how one converts R&D into innovation. You will recall that Ireland at one time was one of the poorest

nations in the EU; it transformed itself into one of the richest. Dr. Glass, who is a leading researcher in his own right at Bell-Northern labs in New Jersey, had gone to Ireland and was part of that transformation. Then, finally, as the Premier's parliamentary assistant, when I was in that role, he asked me to lead a cross-province consultation. I believe I met with over 400 individuals or groups over about six months. So I was tasked by the Premier to work with the ministry to create a strategy, which was launched this spring and is known as the Ontario innovation agenda.

Ms. Laurie Scott: The Ontario Research and Innovation Council—ORIC, I think you acronymed—is currently under review. Why is it currently under review?

Hon. John Wilkinson: No, that's not accurate. It's not under review; it has been disbanded. We had some very top people. They were tasked with providing very specific advice to the Premier when we got the strategy. ORIC does not meet any more. What is under review is something called the Ontario commercialization network. That is something that I launched a review of. We had many commercialization programs right across Ontario and I felt, as the minister, that it was important for us to review that. Actually, in this case, following the Premier's lead, I've put together what I consider to be a blue ribbon steering committee and then an expert panel of globally significant reviewers to look at our commercialization to ensure that we're bringing the right focus, that we're bringing the best practices, that there is no duplication, and that there are not areas of commercialization where we are lacking. But ORIC was the blue ribbon panel to help us get the strategy.

At the moment, as the minister, I'm actually reviewing one of the ways that we implement the strategy by making sure that what our commercialization network is doing is aligned with the strategy, the innovation agenda that was announced in the spring of this year.

Ms. Laurie Scott: All right. So they're disbanded and we now have a commercialization network that's—is that the correct terminology?

Hon. John Wilkinson: Yes, the Ontario commercialization network, which broadly covers a lot of the different groups around the province that help deliver the commercialization efforts of the province of Ontario. I think of places like MaRS, the Ontario Centres of Excellence. I have regional innovation networks, many of them centred around communities where there is a university. I have sectoral innovation networks that deal with specific areas of expertise. So we have a number of programs across—and you will recall, of course, that we created the ministry in 2005. So many different programs from across the government have ended up migrating to their new logical home, which is MRI.

My background as a certified financial planner, someone from business, makes me think that when you inherit something, different pieces, and you're trying to do a strategy, one of the things you have to do is make sure that everybody in the organization is aligned to that strategy. That's why we're doing that review. It's not an

exercise to cut money; it's an exercise to make sure that all of the various groups are coordinated through the ministry to make sure that we're getting the best value possible for the taxpayers of Ontario.

Ms. Laurie Scott: Okay. So when the Ontario Research and Innovation Council existed, how often did it report to the minister? It was the Premier before and now it has become you. Did they produce reports, regularly scheduled meetings with members?

Hon. John Wilkinson: Oh, yes, they did.

Ms. Laurie Scott: Could they possibly be tabled? We're just trying to follow a path of what was recommended, what has evolved and what has taken place as the results have—

Hon. John Wilkinson: Well, as—

Ms. Laurie Scott: If that would be possible. I wondered if the council produced reports.

0950

Hon. John Wilkinson: As someone who read all those reports and as someone who participated in those meetings, I can assure you that the meetings happened. You can imagine that that is quite an impressive list of Ontarians who actually were able to rise to the call of their province to help us. Their reports and their advice—what they did is they actually broke themselves up into certain subcommittees. They provided two reports, which are publicly available, but to help this committee, we will endeavour to get you copies of those two reports. What you'll find in those reports is that they really are the seeds of the innovation agenda. Of course, my innovation agenda is on our website, but we can also provide you copies of the speeches that I've given on that. They're also readily available.

I can, if this would help you, Ms. Scott, talk about ORIC's main recommendations. I believe that they could be summarized as follows: one, we have to be a lot more focused; second, we need to enhance commerce competence.

I will tell you, for example, my observation of this field is that we have brilliant scientists in this province who are by and large business-illiterate and we have world-class business leaders who are by and large technologically illiterate. I don't expect my scientists who are making a breakthrough in green technology or cancer research or super-computers to stop and go get an MBA, and I don't expect the CEOs of this province to stop and go get their PhD in biochemistry. But I do think that it's important for us to have this kind of *lingua franca*, this bilingualism, this ability for people from science and people from business to talk a common language. So what we're trying to do, and the advice that they gave us is, "You've got to raise, on both sides, this level of ability to communicate."

MaRS is a wonderful example here in Ontario, and a world-class example, about how, if you put these people together, they will interact. This is the concept of government being a catalyst. We can't make it happen, but we can set the conditions for the reaction to happen within the vessel that we create. As well, there was a

great deal of need to look at skills formation, which has been inspired by the work that we're doing, both at the Ministry of Education and the Ministry of Training, Colleges and Universities. We believe that we need to expand, on the ground, our regional centres of innovation. We can't run this thing from Queen's Park; we need to have our people on the ground where the innovation is happening. We need to have better access to appropriate capital, and I know that I'll be speaking further in my half hour about venture capital. We need to have a communications strategy.

In Ireland, for example, when you go to the airport, all the top scientists, all the Nobel laureates from Ireland—they're at the airport. They celebrate that. When you get to Ireland, they say, "Here's who our heroes are, the people who are transforming our economy." Some of the advice that we've had is that we do need to celebrate that. Our top scientists, every week, are offered opportunities from other jurisdictions around the world, saying, "Come here." We need them to know that we appreciate them, that we value them, that they're making a tremendous contribution.

Finally, I would say that they also gave us two wonderful ideas: one, you can't monitor what you can't measure. I believe that as a business person, so you have to have appropriate metrics to measure success so that you can move forward. And we need to have—and this is something that we're dealing with with the federal government—a much more clear intellectual property regime here in Canada. I know that we're working very hard with other provinces to push forward that agenda about how we need to have intellectual property patent rights here in the province of Ontario and across Canada. That also is something that business needs to see.

Ms. Laurie Scott: You may have answered a few of these indirectly, but when the council reported back, did they say specifically what the barriers were that did exist to innovation in Ontario? You mentioned that you had to be more focused and that, but could you give us a little bit more concrete—I understand about the scientists and the businessmen collaborating, but could you give us a little bit more specifically what the barriers were to innovation in Ontario, what they actually said they are and that this is how we can help solve them?

Hon. John Wilkinson: There are two sets of advice. What they were able to show is that it's not the whole thing that's broken; as a matter of fact, the one thing that we probably didn't recognize is exactly how globally competitive we are when it comes to R&D—no doubt about it. I think one of the things that we learned from ORIC and having people from around the world take a look at this is the fact that we, collectively, were underestimating the strength of our research and development capacity here in Ontario.

What they did say is that you are getting innovation; you are getting great ideas turning into companies. That's happening, but it's not inevitable. What he's saying is that in a knowledge-based economy, especially in a place like Ontario which can be whipsawed by the forces of

globalization, the route to success is to go from being a place where innovation happens to a place where innovation is inevitable, what they refer to as the culture of innovation.

The culture of innovation requires us to look at what those impediments are, and again, I would say, for example, that our world-first budget measure that said that we will have an Ontario corporate tax exemption for new companies that commercialize innovation, intellectual property from any Canadian research institution is a good example of how the advice of ORIC—in other words, you've got to be commerce-friendly—is being put into force.

They said that we need to have a much more vibrant venture capital market. Large institutions from around the world had pulled back from providing venture capital; that was affecting our ability to fund venture capital. It's not something that government can do. It's something that the markets do, so what was the appropriate way to do it?

We went around the world to try to find the best examples of vibrant venture capital markets. Actually, we were inspired by the work in Israel, where they have something called the Yozma fund. The Yozma fund is the way that the government can work collectively in partnership with large institutional pools of capital to create the venture capital required based on the principles of business, based on the principles of getting a good rate of return. That's why I'm so happy that in the Ontario venture capital fund we made a seed investment of some \$90 million. Publicly, we now have \$205 million in that fund because we've been joined in partnership by the Royal Bank, TD Bank, Manulife, OMERS and the Business Development Bank of Canada. That's a good example of how we can work in partnership to stimulate the venture capital market.

Since I became the minister, just some nine months ago, there's \$205 million more in the Ontario venture capital fund that's available now to the market. Jim Balsillie from Research in Motion created the BlackBerry partners venture capital fund. What we're finding now is that the venture capital market is coming back to Ontario. If we want the market to come here, they need to know that we have cutting-edge research that wants to be commercialized in this jurisdiction.

That's two examples of the things that we're doing through the agenda to take the strategy and actually implement it and put it into force. That's why our ministry is focused on actually taking the strategic advice that we receive from our deputy minister, from ORIC and from the consultations that I did for the Premier and actually implementing that. That is the focus of our ministry now and its history. It's only in its third year, and we're past the planning and into the implementing. Now it's all about getting results.

Ms. Laurie Scott: Okay. There's so many points to hit. How much time do I have in this segment?

The Chair (Mr. Tim Hudak): Thirteen minutes.

Ms. Laurie Scott: Okay, maybe I'll just finish off the questions that I had about the research and innovation council, the reports they did. I appreciate that you're going to table those reports to us.

You did mention Alastair Glass. He's the deputy minister, a great track record—

Hon. John Wilkinson: Was.

Ms. Laurie Scott: Was the deputy minister; I'm sorry. He came over from Ireland. The question I have is that the number of employees at the Ministry of Research and Innovation earning over \$100,000 has increased by 33% year over year, from nine to 12. In your budget of 2007-08, you have salary, wages and benefits that are over \$10 million. It seems to be a budget that's growing immensely. Alastair Glass is no longer there, but his salary increased 36% year over year. I just wondered: Can you explain the large increase in salaries and wages that has occurred in the Ministry of Research and Innovation in that time period, because over \$10 million is quite a staggering figure?

Hon. John Wilkinson: Well, Ms. Scott, I know that my current deputy minister—

Ms. Laurie Scott: No disrespect to any of the employees here.

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Hon. John Wilkinson: I appreciate that, because I can assure you that we have an extremely hard-working team, truly a team, at the Ministry of Research and Innovation. I know that my deputy minister would want to wade into this, but what I can say as the minister is that three years ago we didn't have this ministry. It is considered one of the five-point pillars of our government's economic strategy, and as a result, resources are coming to it. I would say, for example, that in the last budget the Minister of Finance allocated some one quarter of a billion dollars in additional monies for us for the Ontario research fund, which is our major ability to fund cutting-edge research in the province of Ontario, based on peer-reviewed excellence.

We're a ministry that was put together from other ministries and other programs that were put together. So obviously, over that period of time, you're going to have some growth, but that is just reallocation of government resources to a new ministry. I think it's a bit of a canard, as someone who's a certified financial planner, if your base on the \$100,000 is constant, eventually, over time, you're going to have more and more people go over that threshold. I don't think that if we actually used a threshold that was current and constant dollars, that would be so egregious. But I agree, in support of that legislation, that people need to know what our public servants and what we as politicians are being paid; how else can they determine whether or not they're getting good value for the taxpayers' money?

I can tell you that Dr. Glass—the Ontario public service is a mix, and it's something that I know previous governments have used in regard to the senior leadership of the public service. We have those people who have had a career, from the beginning of their career, inside

the Ontario public service, but then as well, we attract top-notch individuals from outside the public service to come and provide service to the province, many of them from Ontario but some of them from outside of Ontario and even outside of this country. Occasionally, we need to have a special set of skills.

One thing that Dr. Glass—and he is an eminent scientist in his own right. He is a person who has actually patented new technology. He was at the cutting edge, in Bell-Northern research labs in New Jersey, of the breakthrough in science that created photonics and our ability to connect the world through the Internet. He was at that and part of that work. Then, of course, he did this phenomenal work in Ireland. The transformation of the Irish economy—he was there. So he brought a unique set of skills to us. What he was able to do, and I thought this was fascinating—it would take somebody like the Premier to convince someone to do that, but what he was able to do was bring this global perspective. I mentioned global opportunities, global challenges, our Ontario innovation agenda seizing global opportunities: It was Dr. Glass who brought that global perspective that I don't think we had here in Ontario. He was able to go—not from somebody from within this province but coming from outside—to our top researchers and our top businesses and say, "What are you the best at?"

One of the things I say in my speeches when I'm talking to our stakeholders is, "Listen. If you either are or intend to be top three in the world, come and see me. If you don't, don't come and see me, because I'm just dealing with the best of the best—the best research, the best commercialization efforts, because that's what this ministry is all about." To get the future to come to the present, we have to focus our limited resources on the best. I would say, that's the legacy of Dr. Glass and his contribution.

Obviously, because it's a question about public servants, I'd turn this over to my deputy minister.

Mr. George Ross: Good morning. It's George Ross. I'm Deputy Minister of Research and Innovation. I hope you can appreciate that I can't talk specifically about individual salaries here. I can tell you: With respect to the salary disclosures of individuals over \$100,000, there are 11 who were identified out of the Ministry of Research and Innovation. The increase in the salary and wage budget for the ministry is primarily due to some new programs that the ministry has taken on, specific to the Next Generation of Jobs Fund.

Ms. Laurie Scott: So, the accountability of the increase in salaries and staff is because you took on that new branch.

Mr. George Ross: Yes, some additional responsibilities.

Ms. Laurie Scott: Okay. Of note, and I mentioned Alastair Glass, and no disrespect, but in the list for 2008 it was \$364,000 that he was making, plus change. I realize he's of a specialized character. I know you were involved with the research and innovation council and their reports. Was he involved in that? I know he wasn't

the chair, but did they report to him—again, getting back to their information, what he has experienced and the results that you're providing as a strategy.

Hon. John Wilkinson: The line of accountability was that ORIC was working at the behest of the Premier in his capacity as the Minister of Research and Innovation. What the ministry did, and what Dr. Glass did as the head of our ministry, was to actually support the work of ORIC. Because of his unique set of skills, he was an ex officio member of ORIC. I know now personally all the members of ORIC, and they commented to me how it was helpful to have someone with Alastair's unique viewpoint of the global economy and the global world of both research and innovation to be ex officio. But the advice that was tabled by ORIC was directly to the minister, who at the time was the Premier. It was his blue-ribbon panel to help give him strategic advice so that we could move forward, which has now become the Ontario innovation agenda.

So we had ORIC, we brought in some great people like Dr. Glass from outside, and then I was tasked, as the Premier's parliamentary assistant, to actually do the Ontario consultation. Like I said, it was 400 people. I've always said to people that probably the most challenging day I've had since I got elected was when I was doing that. On that day alone, I was in Toronto, I was in Thunder Bay, I was in Toronto and I was in Windsor—on the same day. I always tell people that perhaps next time I'll run in a smaller province, like Prince Edward Island. When the boss asks you to do cross-province consultation—this is an awfully big province. Of course, when you go to Thunder Bay, they remind you that the other half of the province is north of there.

There were three things that came together, and that was part of our ability to seek a mandate from the people. We were clear about what we wanted to do in this area, and that was part of the campaign platform of the government seeking re-election.

Ms. Laurie Scott: Okay. So the reports that will be tabled will be the combination of what you had just said that has taken place with the stakeholders, the recommendations, Dr. Glass's input. It should be in the reports that we've asked to be tabled.

Hon. John Wilkinson: My deputy knows what's available.

Mr. George Ross: The reports we can provide are the recommendations from the Ontario Research and Innovation Council.

Ms. Laurie Scott: At which Dr. Glass was an ex officio.

Mr. George Ross: The rest of the material has made its way into the Ontario innovation agenda, which is available on our website.

Ms. Laurie Scott: Okay. I know I just have a few minutes, Mr. Chair, but I don't think I'll start another topic and then switch back around, if that's all right.

The Chair (Mr. Tim Hudak): Yes; absolutely.

This is what I'm going to recommend, in discussion with committee members, so that members of the

committee can prepare their next round of questions: In the absence of the third party, we now have the 30-minute response and summary by the minister, then we'll revert to 20-minute segments, beginning with the official opposition. So you'll be back on for 20 minutes, followed by the government members. We'll keep rotating, expecting that we won't have the third party here.

Under the standing orders, the 30-minute segment is described specifically, so that will be forfeited in the absence of the third party. They won't get that 30-minute segment. I would like support from the members of the committee to allow the third party to stack the remaining 20-minute segments when the committee resumes on September 23. Is everybody okay with that, in the spirit of collegiality? Terrific.

The clerk will keep track of the 20-minute segments the third party misses and allow them to stack that time when we resume when the Legislature is back in session.

Minister, you have 30 minutes for your summation or response to the issues that have been brought up already.

Hon. John Wilkinson: Great. Thank you, Mr. Chair. I'll continue some of my remarks.

Leadership, as we all know, is about setting priorities, about determining a vision. It is, at its core, about figuring out where to go and how to get there. As a certified financial planner, that was the life that I led for over 20 years in my business career: helping people understand where they are, where they want to be and how to have a plan to get there.

The bigger the challenge, the more inspiring the vision, the more likely it is that people will want to contribute. Take one of the most exciting feats of the 20th century: landing a man on the moon. The distance from the earth to the moon is over 380,000 kilometres. Considering the enormous technical challenges that remained in 1962 when President John F. Kennedy boldly proclaimed that America would go to the moon, the distance between vision and realization must have seemed even further. Unbowed by the unknown, Kennedy was bold. He declared that "this generation does not intend to founder in the backwash of the coming age of space. We mean to be a part of it—we mean to lead it."

I think all of us will remember his inspirational quote; it's clipped all the time. But what I want to do is talk about the quote that we've all heard and then actually complete the quote of President Kennedy, something that we don't hear. You'll all remember that he made that commitment tangible by saying, "We choose to go to the moon. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard...." But then he went on to say, "Because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win...."

1010

Those words set in motion an unprecedented effort that drew together the talent of over 400,000 people and 20,000 companies and universities, who, working together, achieved Kennedy's lofty goal in eight short years.

In Ontario, we too have ambitious goals. We aim to be the best place in the world, not just to live, work and raise a family, but also to innovate, to turn ideas into reality, to turn ideas into better health care, a cleaner environment and endless possibilities for Ontario families. We are determined to be the best place for those compelled to find better ways of doing things. We will be a magnet for those who think and dream big, who are working to find solutions to global challenges like cancer, clean energy and climate change.

But we know that some challenges are too big for one organization to tackle alone. And like the moon shot, so many of today's most exciting opportunities involve multiple disciplines and many teams working toward the same goal, the same vision. Take, for example, a collaboration between the Ontario College of Art and Design and Baycrest, a leading academic health sciences centre. They are working together to use art and technology to help people restore memory after suffering from brain damage. In both cases, the recipe for success is mixing people together, people and organizations with different skills, different knowledge and different perspectives. If Ontario is truly to go after global opportunities, if we want to think big, we must follow this recipe. We must find ways to bring together groups of different organizations, so that each can bring their own strengths and skills to the task of accomplishing something bigger, something bolder, something greater than the sum of its parts. As the Premier always says to us in our caucus and says to the people of Ontario, none of us is as strong as all of us, none of us is as smart as all of us. It's bringing people together and their different perspectives that allows us to go after these global challenges and turn them into opportunities for future generations.

That's why we created the strategic opportunities program, which is a component of the Next Generation of Jobs Fund: to support industry-led consortia in Ontario, made up of companies, researchers, universities and not-for-profit organizations that will pursue huge global opportunities emerging within high-growth innovative sectors such as cleantech, digital media, life sciences and health technologies. We believe that with government acting as a catalyst to bring together the best this province has to offer with the best in the world, Ontario will not only be able to compete globally, we'll be able to lead the world.

Supporting the establishment of new innovative companies in Ontario is important, but with our innovation agenda, we're thinking bigger. We want to encourage high-potential companies to grow into the kind of firms that lead their market segment globally. A critical part of supporting the growth of these companies is access to capital. For many innovative start-ups, the first

investors are angel investors, who are willing to provide personal funds and mentorships at the most risky and critical stage of new innovative companies, just before they commercialize their innovations. When they have an idea, they may have a product, but they don't have any cash flow. That's why Ontario created the angel network program, which helps bring new angel investor groups into being and provides them with the knowledge, education and other resources needed to invest successfully in emerging Ontario companies. And where there's a vibrant angel investor community, you find a much greater penetration of innovation into a society and into a system.

I know the Canadian conference board was just in the Waterloo region. One of the hallmarks of what's happening in the K-W area is that they have a vibrant angel investor network where people have made money on their own innovations and are willing to invest at this very early stage in other bright ideas within their region.

Delivered in Ontario by the National Angel Organization, the angel network program has already supported the creation of six new regional angel investor groups, as well as the first angel investor group focused on the emerging clean-technology company sector. They expect that Ontario's \$2.5-million commitment to the angel network program will attract over \$25 million of investment in seed and early-stage Ontario companies over the next four years—\$25 million of personal cheques from these individuals, who are referred to in the marketplace as "angels."

Of course, once companies grow beyond the angel investment stage, they rely on venture capital for the advice and money needed to grow their businesses from start-up to thriving enterprise. That's why a healthy Ontario venture capital sector is critical to our future and is a critical part of Ontario's innovation agenda, and it's why we created the Ontario venture capital fund, in partnership with financial institutions, including OMERS, RBC, Manulife, BDC and TD Bank.

The partnership component is very important. We could have started a program on our own to invest this \$90 million that we committed directly into innovative companies, but that alone wouldn't strengthen the venture capital market in Ontario and it wouldn't make a long-term impact on the climate for innovation in this province. So instead, we worked to create a vehicle for bringing together large institutional investors with venture capital. We wanted to create something that would not only impact innovation in this province today but also create momentum for years to come. That partnership now, when we launched the fund officially in June of this year, stands at some \$205 million, and I can advise that there is also active participation by others into a second round of funding into the Ontario venture capital fund. The partners—and we are just a limited partner; the province of Ontario is just a partner like all the other financial institutions—collectively chose unanimously what we feel to be a very effective fund manager that is being provided by TD Capital to manage

that fund. Again, we have the benefit of the discipline and the expertise of the private sector and of those large institutional partners that we're with to try to get the very best of the best.

We're very pleased with the partnership that has resulted. We have bold partners that are investing in innovation in this province, and we thank many of these institutions, these key institutions that are part of our economic fabric, for stepping up to the plate and being part of this new, exciting venture.

We have, as I said, a capable fund manager that is committed to strengthening the venture sector, and we have a market-driven fund designed to translate the growth of innovative companies into reliable returns for investors. Reliable returns are important. That will attract sustained investment in the venture capital market and will ensure that Ontario innovation can find the support it needs today and for years to come.

As Minister of Research and Innovation, I'm privileged to see the future every day, and what I've been seeing over the past year makes me very hopeful and very excited. I believe that we need to celebrate our success. That's the rationale behind the Premier's Catalyst and Discovery Awards. These annual awards recognize outstanding Ontario researchers and innovators—the people who are literally inventing the future. The award winners are amazing examples of the extraordinary talent that we are fortunate to have here in Ontario.

Now we need to tell our kids and the world. Our kids need to know that, thanks to the talent we already have in this province, due to the tremendous investments that governments of all stripes have made into this province and due to our commitment to innovation, the future is bright for careers in science and technology. We need their talents if we are to continue to build on our strengths and take on the world. That's why my ministry supports a number of programs to get kids excited about innovation. In fact, we recently announced a \$5-million additional investment to support two organizations: Let's Talk Science and the Youth Science Foundation of Canada. These two organizations will work with our youth science outreach organizations, teachers, school boards, businesses and other ministries to help ensure Ontario students are prepared for the jobs of the future. And while we encourage our homegrown talent, we also need to attract bright people, innovative companies and new investment from around the world.

1020

That's why Ontario had a significant presence at BIO 2008, the world's largest life sciences conference and trade show. We've built a very popular presence at BIO—and I knew something about marketing before I got to this place—because what we did at that event is: Canada, as a country, has the largest footprint in the trade floor at BIO. Within the Canada footprint, we have all of our provinces, and of course Ontario has the largest footprint. In our part of that, we actually have a Tim Hortons. We have a partnership with the good people at Tim Hortons, and they have a two-storey Tim Hortons in

the Ontario pavilion. We have people from around the world at BIO and they come to see us because of Tim Hortons. I think it has been a marketing coup.

In Boston last year, we gave out 11,000 free cups of coffee—Tim Hortons did. They came up to the plate to stand with our province as we marketed our key advantage around the world and allowed people to get together because, as I said, it's about bringing people together so that you can actually make a deal, you can actually talk about what you need in your country versus what we have available and vice versa.

I must admit also that we have ex-pat scientists and business leaders around the world. They would walk into BIO—and we just had the one in San Diego—smell the Tim Hortons and come right there. It smells like home.

Anyway, while we were enticing delegates with the fresh-brewed coffee and getting delegates from around the world to come and drop by, it was also our top-notch talent that actually created the buzz at BIO, sending a signal to the world that Ontario is the place to develop new products and bring them to market.

With our five-point economic plan and Ontario's commitment to research and innovation, our government and this province is prepared not just to get through this time of change and global challenges but to become stronger and build a better future. We recognize that other jurisdictions are also working very hard to become more innovative and more competitive. This is no time to take our research strength and our commercialization efforts for granted; this is the time to accelerate them.

I believe Ontario possesses a combination of advantages that truly sets us apart. In my business background, you have to have your unique value proposition: Why do an investment here instead of some place else? And we do have a unique value proposition.

First, we're big. The province of Ontario is 13 million strong. Our economy is twice the size of the next-largest provincial economy. Over a third of all new Canadian jobs since 2003 have been created right here in Ontario. Half of all new immigrants to Canada choose to live here—a wonderful diversity that gives Ontario a unique advantage with direct links to foreign markets all over the world. We're situated in a great location. If the provinces and states surrounding the Great Lakes were a country, we would be the second-largest economic unit on earth, second only to the US economy, and bigger than Japan, China and India. We have the lowest after-tax research cost of any of our neighbouring jurisdictions, plus our Next Generation of Jobs Fund. Our commitment to innovation is big as well, with \$3 billion committed over eight years, in addition, as I said, to our \$1.15-billion Next Generation of Jobs Fund.

Second, I believe that we're bold. We are looking to invest in innovative people and businesses that want to be the best in the world.

Third, we're focused on supporting investment, innovation and growth in sectors where Ontario is already strong, where we punch well above our weight, where we are already, or can be, a global leader.

Fourth, in a global marketplace, speed counts. Ontario aims to be first and fast. We are leading North America with one of the first private-public, market-driven venture capital funds, the first billion-plus-dollar fund focused on strategic opportunities driven by the commercialization of research, and the first to offer a 10-year corporate tax exemption for the commercialization of intellectual property. We are the first government we know of that has promised to make a decision within 45 days, guaranteed.

Finally, we are focused on investing in our most valuable renewable resource in the 21st century and our greatest global competitive advantage: our people. When we invest in innovation, what we are really investing in is our people and in our ability to consistently turn our best research and ideas into new products and services that will improve our lives and that we can sell to the world. Ontario is home to the most skilled and creative workforce in the G7 and we know that the power of innovation lies in the power of these people to successfully turn the incredible into the everyday.

Imagine what the next generation will bring. Imagine what our future can be. It reminds me of famous computer scientist Alan Kay, who said, "The best way to predict the future is to invent it."

Mr. Chairman, I have how many minutes?

The Chair (Mr. Tim Hudak): You still have 14 minutes.

Hon. John Wilkinson: That's great. What I wanted to share with the committee is what I get to see every day. I have the advantage, as the Minister of Research and Innovation, as I was saying, to actually see the future: And the future is bright. It is amazing what I get to see every day.

We have a company here in Ontario that actually figured out how to put on a glove and the glove tells you how to do CPR. I'd say to my friend Ms. Scott that we all have to learn how to do CPR, that we should all know how to do that. Most of us in that situation (1) would panic and (2) would not remember what we learned as children. So this innovation, which was developed here in Ontario by Atreo, has you put on a glove and the glove tells you how to do CPR, how to save a life. It actually gives you feedback to tell you whether or not you're compressing the chest either too quickly or not enough; it reminds you to check the airway; it tells you what is the appropriate amount of pressure; and it reminds you to get someone to call 911. That company is based in Burlington and it just answers a simple question: If someone suddenly collapsed in front of you, clutching their chest, would you know what to do? Would you calmly and competently perform CPR knowing it requires 100 compressions a minute to a depth of five centimetres? Would we know that?

With the goal of helping to save lives by helping people to perform CPR correctly, Atreo Medical Inc. has invented the CPRGlove, a portable medical device that gives any user a better chance of saving a life. Featured in Time magazine's 2007 best inventions of the year and

in Popular Science magazine's 2007 top 10 inventions of the year, the CPRGlove was created in 2007 by three biomedical and electrical engineers from McMaster University: Corey Centen, Nilesh Patel and Sarah Smith.

Though they were trained in CPR in high school, the trio agreed that if put in such a situation, it was doubtful that they could competently perform CPR and save someone's life. So incorporating multiple sensors in a wearable glove, they invented a device that collects sensory data and instructs the user on where to apply pressure, how fast and how hard to make compressions, and even where to place one's hands on the victim's body. It also reminds users to check the heart rate and contact 911. By making the CPRGlove a widely accessible resuscitation tool, Atreo hopes to improve the survival rates of the nearly 350,000 out-of-hospital cardiac arrests that occur annually within Canada and the United States.

On May 13, 2008, our ministry announced a grant of some \$500,000 to Atreo Medical Inc. through the investment accelerator fund component of the market readiness program. The funding will help Atreo bring to market its award-winning CPRGlove.

That's a great example of our formula in action. There is a global demand for that invention. It started with just some bright people asking a question, realizing they didn't know how to solve the problem and using technology and their ability as top researchers to come up with a way to create a new technology to meet a global market. You can't tell me that there's not a global market for that device.

It isn't up to government to come up with that. It's up to government to act as a catalyst to nurture that investment, to nurture that talent, so we've made this tremendous investment that allows these three bright kids at McMaster to come up with a better mousetrap, to come up with something that saves lives. We need to go the next step. That's why we have our investment accelerator fund. As I said, it invests—and, in this case, with Atreo, \$500,000 in seed money for high-potential start-ups that have, and they require this, a \$100-million-plus global potential market and a high likelihood of private capital to follow on an investment. It ensures that ideas spawned in Ontario can turn into great Ontario companies.

But those three young scientists from McMaster, who are just at the beginning of their research career and their ability to be innovative, need to be supported. In my opinion, that's the role of the government. We can play a key role in providing the mentorship that they need. We can't interfere; we don't want to take away their focus on what they're doing, but we need to be able to support them. We need to act as a catalyst and provide the services they need.

For example, I was talking about BMEP, the business mentorship and entrepreneurship program. It addresses the need for a large cadre of entrepreneurs to lead the next generation of Ontario companies. All major companies started as a small company. It's a unique amalgam to have someone who's both an entrepreneur and people

who are innovative in their own right. You need both, and we need to be able to support that. It's a significant factor in launching and growing a successful, innovative company and it's their ability to manage that and to have those skills. We need to make sure that they have the skills or we need to help a team.

1030

I want to talk about an announcement. We have a program called the Early Researcher Awards. Hundreds of millions have gone to our top researchers. It's peer reviewed. Just this week I was at Bloorview hospital here in Toronto, the rehabilitation hospital for children. I met Dr. Tom Chau, who is one of the recipients. I think there were 22 in the GTA, 66 across this province; this, in our fourth round of Early Researcher Awards. The decisions are made not by politicians or political scientists but by scientists through peer review. Dr. Chau's group at Bloorview is trying to figure out how we can take children who are locked in bodies that they don't control and allow them to communicate. I met a young man who is 15 years old, the same age as my middle boy Liam. His name is Max and he was there with his mom Karen. Dr. Chau and his team see Max as one of the great challenges. Unfortunately, he was born with cerebral palsy. They know that Max is cognitive, they know that he is a bright kid, but he is trapped in a body and he can't communicate. All the traditional forms of communication are unavailable to Max: Bliss boards and the ability to control devices. Scientists tell me: "All we need for Max is to figure out how to have one thing that he can control on and off. That is the basis of all digital communication—one and zero, on and off; if we can just find that. So we're trying to unlock that for Max."

When we made the announcement, his mom got up, and she knows that her son is there, that he's trapped inside his body. She said, "As a mom, all I want Max to be able to tell me is what I know is in his heart. I just want him to be able to communicate to me that 'I don't like that TV show. I want to be outside. I love you, Mom.'" His mother said that. So I think that there is the ability for us to transform our society.

When you have somebody like Dr. Tom Chau and he can unlock the world for Max, think of all of the other people in our society who are trapped by disease and without the ability of being able to communicate with their loved ones. There are two things he'll be using with Max. He has some control over his eyebrows, so one of the ideas is to have this headband that he would wear and he would be able to have this interface by controlling his eyebrows. But they're not sure, because of his cerebral palsy, that he actually can do that. Another doctor there showed me how they're actually using an infrared camera on his face. They believe that he can control his emotional state and therefore change the heat signature of his face and that this camera will pick that up.

These are brilliant people. And you would say, "That's a lot of money just for Max," but you can't tell me, if our scientists here at Bloorview can figure out a way to unlock the world for Max so that he can communicate,

that there aren't commercial applications. What we have to do and why we need to do a better job and the reason we have a Ministry of Research and Innovation is to make sure that when we invent it here it's commercialized here. Our ministry is not for putting money into Ontario so that there are new jobs in Indonesia or Germany. This ministry is all about making sure that when we have great ideas they're commercialized here and not in another jurisdiction.

Every day I get to see both applied research, like Dr. Chau's, but also basic research. As I was saying, at the Perimeter Institute, which in large part is due to the philanthropy of Mike and Ophelia Lazaridis—they had a vision of having a theoretical physics institute that would attract the best in the world and unlock the basic questions of the universe; a lofty goal. There is no direct application for that. That's not applied research, that's basic research. That's unlocking the fundamental questions. Look at the success—I'm proud as a government that we were able to invest \$50 million after Mike and Ophelia invested \$100 million. Mike and Ophelia just invested another \$50 million. What a testament to science and the power of science from a world-renowned leader from right here in Ontario, who calls K-W his home.

I would say—many people would say—the brightest guy in the world is a guy named Stephen Hawking. There was Einstein in the last century and it's really Hawking nowadays as one of the greatest minds; someone who also is trapped in a body that's unresponsive, but he's learned how to communicate. The amazing thing is that his young collaborator is Dr. Neil Turok. The last theory put out by Stephen Hawking is actually the Hawking-Turok theory. Neil Turok is at Cambridge, the home of physics. Neil Turok is coming to Ontario. He's coming to Waterloo to be the new scientific director of the Perimeter Institute. Why? Because it is becoming the best in the world, and the best attract the best.

One thing that I've learned in talking with our top researchers is when it comes to peer review, the only person who can peer review someone who's on track for a Nobel Prize is someone else who's on track for a Nobel Prize. The best know the best.

So the power of the Ministry of Research and Innovation is we get to see the very best of who we have in this jurisdiction and we get their network of other people around the world who are best.

The reason we have a Ministry of Research and Innovation is that research and our ability, through this ministry, to see the future, to see where the potential is, which allows us to move and focus our efforts to those global challenges where we think Ontario has a competitive advantage through commercialization. If we can do that, we believe that that is one of the key routes to success in the 21st century, by identifying global challenges, looking to see where we have top researchers and how we can focus our efforts. We know our areas of focus and we're open to others, but it is very important for us to be focused.

In conclusion, I want to say to the committee members that I really look forward to answering the questions of the estimates committee because the estimates of this ministry give life to this vision that we have collectively, I think, about how we need to have a brighter future for our children and our grandchildren. I do not believe that we will be the first generation to leave our children and our grandchildren with a dimmer future. I think that our parents and our grandparents expect nothing less than the best of the best from us. We need to work collectively to take advantage of those investments that we have made over the years and turn them into economic prosperity.

The Chair (Mr. Tim Hudak): Thank you, Minister. We'll now go to our 20-minute rotations. In the absence of the third party, we'll rotate from the official opposition to the government. We'll have time for four 20-minute segments, and then we'll conclude just before noon. This will mean the NDP will only miss one segment and they would start the next day with 20 minutes and 20 minutes of stacking time, so it actually works out quite well.

Ms. Scott, you have the first 20 minutes, and then the government members. We'll rotate until just before noon. Ms. Scott, the floor is yours.

Ms. Laurie Scott: The Ontario innovation agenda ensures a culture of innovation, as you say, to support company creation, growth, investment in Ontario. Could you, as minister, tell the committee how Ontario's tax rate on new business investment compares to other Canadian provinces? We're competing?

Hon. John Wilkinson: Well, there are two things. We have the lowest after-tax research cost of any of our competitive jurisdictions. The business climate here is the same for all small businesses whether they're research intensive or not. The difference for research-intensive businesses is the fact that we have both the federal and provincial tax credits called SRED. I know that when the federal government improved the SRED, we applauded that, and then we moved, in our budget, to mirror that so that we would continue to use the SRED credits as a way of helping businesses constantly reinvest in research.

In regard to the question of the overall taxation of businesses in Ontario, I think that would be a question for the Minister of Finance.

Ms. Laurie Scott: It certainly affects your ministry if we're trying to attract new businesses to Ontario. Ontario has the highest marginal effective tax rate on business investment, not just in Canada but in the developed world, and it is a factor. You have an NDP government in Manitoba, a Conservative government in Alberta and a Liberal government in BC that have a lower effective tax rate on investment. Roger Martin from the Rotman school of business said, "In Ontario, we still have one of the highest marginal tax burdens on business investment in the world." Do you not consider that provincial tax structure an important element of the business climate? I heard what you said about the SRED, but I'm just saying there are factors here that—

Hon. John Wilkinson: The most important factor is talent. Business taxation is an important factor, but the most important factor is talent. We, as a government, believe that we have to invest in that talent. That is something that we're doing through the Ontario innovation agenda. It is important that those businesses cannot survive without talent. That's why we have such a tremendous focus. There are some who could say, "Well, why don't you just not do anything about that and use the money for tax cuts?" We could always decrease the price of a cup of Tim Hortons coffee every day, but we, as a government, believe that you actually have to invest in the future.

1040

So as someone who deals with those innovative companies every day, those companies that are starting up don't pay taxes. There is a long lead time where you burn through a lot of cash. Taxation is not an issue. The issue is talent; the issue is capital. I would say that the need to increase seed capital through the angel investments and the venture capital—those, for the companies that I deal with, are their most pressing concerns. It's something that we're focused on at the ministry, working with the Ministry of Finance: to ensure that that business climate is improved.

That part of the economy that I get to deal with every day, the issue that they have, is access to capital. They're not in a position yet where they make profit. But what we've done is quite remarkable, I think, because what we've said to those companies is, "After you get the great idea and you burn through a lot of capital, if you really get something that's working, if you have commercialized intellectual property from any Canadian research institution and you've created a new company here in Ontario, you will not pay Ontario corporate tax for 10 years." Again, it would be wonderful if the federal government would match that. We matched the SRED; I think it's only fair that they would turn around and say, "You know what? That is right. That's a good formula."

From the position that we only have to deal with the company when it actually is getting a global market and goes to a question of profitability, that's the requirement to pay taxes in the province of Ontario, and we can't do better than actually say, "And you won't pay any Ontario corporate tax for 10 years."

Ms. Laurie Scott: So you don't see the provincial tax structure as an important element, so you wouldn't be advocating to cabinet, sitting around the table saying, "We have to change our tax structure in Ontario"? Because you said before, it's a combination of scientists and the businessmen, bringing them together. You're saying that the businessmen have not said to you about the provincial tax structure—and it's the highest in Canada—

Hon. John Wilkinson: Let me just be clear. Businesses that exist today, that are paying tax because they're profitable, their key focus, or one of their key focuses, would be the rate of taxation. And I think Roger Martin—who I know has commented on the need,

collectively, for Ontario to always have a competitive tax structure going into the future, because of the announced reduction in taxes at the federal level. For example, the federal government agreed, over the next few years, to lower their federal tax rate from 25% down to 15%. We're already at 14%. We've said, "When you catch up to us, then we can talk."

In this country, let alone we do all of this, we take \$20 billion from this province and we send it out to our sister provinces. So I think that's why the Premier and I think there's agreement around in our Legislature about the need to ensure that there is fairness. We have no problem as a province sharing our wealth with the rest of Canada as long as it's on a fair basis. There's no reason why someone who's unemployed in Thunder Bay should get less money than somebody in Fort McMurray. There's no reason that someone who's sick in the province of Ontario gets less federal support than somebody in Quebec or Prince Edward Island. All the Premier has said is, "We need fairness."

If we had that fairness, I would agree with you: We would be in a fiscal position to work on that. But in the sphere that I work with, and the companies that we're trying to inculcate right here in Ontario, the issue of their corporate taxation is not an issue, because they're at the early stage; therefore, they're not making profit. So a business tax based on profit is not a compelling issue for those companies. And what we've sent is a powerful signal, the first jurisdiction in North America to say, "But if you actually commercialize intellectual property from any university, college, academic hospital, research institute in Canada, and you do it here in Ontario, you create a company in Ontario, when you get to the point where you're profitable, over a 10-year period we're willing to have no Ontario corporate tax."

Ms. Laurie Scott: Okay, so you're saying a 10-year corporate income tax holiday for commercialized intellectual property developed by research institutions, to get technical. The C.D. Howe Institute, a highly respected institute, called it "ill-designed." It says, "Tax holidays, also used in Quebec, are high-cost, low-impact policies typically found in Third World countries and well proven to be ineffective." This can explain how the 10-year corporate income tax holiday—you're not helping existing businesses.

Hon. John Wilkinson: First of all, as I mentioned, it's the first in North America, so it's wonderful that the people at C.D. Howe have an opinion. That's their job to have an opinion. I don't actually have to agree with them on everything; in many cases, I don't.

What I would say to you, Ms. Scott, with respect, is that what we are trying to do is send a very strong signal that we are a friendly jurisdiction for new, innovative companies. We value the intellectual property that is being developed here in Canada. We want it to be commercialized in Ontario. We need to send a signal that says this is the place to do it. Despite all the economic challenges that we have, we are prepared through this new tax measure to actually put it on the line and say,

"Here is a reason why you should be here." It is that unique value proposition, and my own background in marketing says you have to have that. So I think it's very important.

I was talking to some of my other colleagues around the country who have the same portfolio as I, and they're quite envious, I think, that we've been able to do that. They were impressed by the fact that we have this clear commitment to commercialization.

We always need to be looking at having those seed companies. The companies in the 21st century that are going to succeed are going to be based in large part, in my opinion, on innovation. So we have to help that. I think that on the research side through the SRED credits and the complementary credits from the provincial government, something that all governments have done over the last few years—that sets a very fine basis when the company is that research intensive, but they're not, in many cases, paying taxes at their earlier stage. But when they do that, I think that we've sent a very powerful signal. So my comments are really about the part of the business community that I deal with each and every day.

Ms. Laurie Scott: I have a couple of questions. I'll start off with another quote. Jim Milway, executive director of the government-funded Institute for Competitiveness and Prosperity, criticized the government's decision to give a 10-year tax reduction to new businesses. It's feeding into what I said about existing businesses. If the new technology becomes available, he said, an existing business will have no particular incentive to develop it, even though an already successful firm might be able to do it faster and better than the start-up company could. So Jim Milway, I say again, of the government-funded Institute for Competitiveness and Prosperity, says that lowering overall taxes would be more effective, that "it would do more for innovation." So you're not letting companies that are established that want to develop research and innovation, develop their companies—it's not doing anything for them.

Hon. John Wilkinson: Obviously, you won't be surprised when I say that I disagree. There are many people with many conflicting opinions here in Ontario, but there are some of us who have actually been elected by the people to lead. That's what we're doing. So we have a clear plan about how we're going to achieve the goals that we're looking for.

I find it interesting, because when we announced this measure your leader in the House, Mr. Runciman, said on March 26 that he believed it "would cultivate and encourage growth by lowering the tax burden on those who create growth. Tax cuts create jobs. It works every time it's tried." That's what Mr. Runciman said.

Ms. Laurie Scott: We want to lower taxes, yes.

Hon. John Wilkinson: But then the next day, your leader, Mr. Tory, said that these policies are actually making things worse. Now, again, it falls on us who are in government to just be very clear about what we're doing and actually implement it. I think that we're doing the right thing, that it's actually visionary—I think the

marketing value of that alone, as we talk to other jurisdictions, other researchers, other innovative companies—to say to our young people, “This is the place to commercialize your research, this is the place, not some other jurisdiction.” We’ve invested in these young people through this wonderful legacy of education, particularly in the post-secondary sector, and so we’re very clear about doing that.

What we do for other companies, not these start-up companies—because that’s why we have the \$1.15-billion Next Generation of Jobs Fund, which we think is the way to deal with those existing companies. Yes, they make profit and, yes, they pay taxes, but if they understand that they need to reinvent themselves to that next generation of jobs—looking at a company like Woodbine, which made a strategic partnership with Menova, so an Ontario innovation in regard to combined solar heat and power that then found a partner, a company, Woodbine, that makes auto parts, that had capacity, that could now make green technology parts. It was the same skills that were required. So what we want is Woodbine to make a lot of money, and I think it’s right that we have a program like the innovation demonstration fund to act as a catalyst to spur that on. We don’t create it, but what we can do is set the conditions. So there is always a question when it comes to leadership where you have to decide how it is that you’re going to implement your plan. I think we have very clear opinions as to why we are doing what we’re doing.

1050

Ms. Laurie Scott: In terms of accountability, and this was the plan, can you say who you’ve attracted under this 10-year corporate income tax holiday?

Hon. John Wilkinson: I can tell you that when we were down at BIO, which is the largest life sciences, we were able to actually talk about that. Now, you’ll recall that the new Ontario corporate tax exemption was announced in the budget. The technical details will be in our fall budgetary bill. We had our first budgetary bill in the spring, as we always do. It is an area where we are breaking new ground. We look forward to the Minister of Finance, who has carriage on all tax matters, introducing that bill when we return. But I can tell you that our commitment to that is firm. The House willing, we will pass that piece of legislation; we’re quite confident about that. I can tell you already, Ms. Scott, that when I was down, for example, at BIO, that was something that we were able to talk about, and it sends that signal when we’re talking to global leaders around the world about why Ontario versus someplace else. It was very well received. It truly is innovative. No other jurisdiction, as far as we know, has come up with that idea. We’ll leave it to history to determine how effective it is, but we believe that at this critical juncture it is the right signal to send the market.

Ms. Laurie Scott: So you’ve got people interested, but you don’t have any actual bites right at the moment that you could—

Hon. John Wilkinson: I can tell you that though we haven’t passed the bill, it is retroactive to the announcement when the Minister of Finance read his budget speech. I would not, as a minister of the crown, presume a vote in the House on a piece of legislation that’s being introduced, but I have no fear that the McGuinty government’s commitment to that tax measure is included; that the measure is retroactive from the day that it was announced in the House so that all are treated fairly.

That is a 10-year measure. So to say, four months after we announce a measure that’s going to be applicable for 10 years, “Show us the results”—I can understand why you ask that question—

Ms. Laurie Scott: I’m just asking how it’s going so far.

Hon. John Wilkinson: —but I don’t see, really, where we are at this stage that we can show results. All I know is what our business leaders have told us. When we look at what business leaders who are part of ORIC told me about having a better environment for research and innovation, they didn’t talk to me about the provincial corporate tax rate. They talked to me about targeted measures to send a signal that we are a jurisdiction that is open to this. I think that sent a very strong signal. I appreciate the leadership of the Minister of Finance and the Premier in this regard. Sometimes in the world of business a signal is very important. I know that we have already been able to use that to our advantage in marketing Ontario as a place where we have a commitment to innovation.

Ms. Laurie Scott: I’ll focus—I just have a few minutes left—on the marketing. You were at the BIO convention; I think Tim Hortons is a great idea, so we got them in the shop, with the smell. You have been to BIO. How do you plan to showcase Ontario as the place where innovation is inevitable? I believe you were in Australia, I assume on similar business. So where are you marketing, where’s the showplace and where in the budget can we find—is it under the travel expenses, in the results-based plan of estimates that was produced? Sorry, I had to get that all in a few minutes.

Hon. John Wilkinson: We can continue that; I don’t want to duck your question. I’ll start by saying that outreach is important. We’re in a global economy and if we’re not visible and doing a professional job of attracting inward investment and research talent, it’s not going to come here on its own. We actually have to reach out.

What we’ve found—and here’s the key: I was mentioning how we have this great commitment to peer-reviewed research excellence and all the top scientists. What we’re finding is that that is our true competitive advantage. So what we did at BIO this year in San Diego—last year it was in Boston, this year it was in San Diego—is that we were able to bring some of our top researchers along with us, world-renowned researchers, to be part of our presentation at BIO.

My background is in the insurance industry. In a life insurance company or a general insurance company, the president gets to call the shots, but no matter what idea

he or she has, if the chief actuary doesn't agree, it doesn't happen. In the world that I live in there is an analogy, because, for example, in the pharmaceutical world, though the president may call the shots about investments, if the chief scientist doesn't agree, it doesn't happen.

What we have is a marketing strategy that I think is much more keenly refined, which is to take our top scientists and make them part of Team Ontario. They are opening new doors for us. So I think our approach at BIO is much more refined, and we're using that now in other jurisdictions. Yes, there is the marketing part of Tim Hortons, but the real work is done by that relationship between our top scientists and the top scientists of those companies, saying in real terms how they are finding success and a high quality of life here in Ontario.

For many scientists, there are other jurisdictions where political science interferes in science. Because we are a jurisdiction that does not allow that to happen, it's amazing how scientists from around the world find Ontario a wonderful place to find their career. What we ask of them is that when they create new ideas and intellectual property, they focus on commercializing it here to the benefit of the society that's been paying the taxes to create that infrastructure that allowed them to have that wonderful career.

Ms. Laurie Scott: So do you plan to go to different countries? Is this virtual marketing directed scientist to scientist?

Hon. John Wilkinson: There are a couple of things. I have a division within my ministry that deals with outreach—

The Chair (Mr. Tim Hudak): Minister, I was just wondering if you would mind making the response to this last question just under a minute.

Hon. John Wilkinson: Sure. Maybe we could pick that up. We'd be more than happy to outline to you how we plan to spend, in our estimates, money this year in regard to what we call outreach and promotion. I know that my deputy will enter into that, but maybe we could give a full answer in the next rotation, if that's all right.

Ms. Laurie Scott: I'll start the questions again, yes.

The Chair (Mr. Tim Hudak): That does conclude the time for that 20-minute segment. We'll now go back to the government members—20 minutes. Mr. Delaney.

Mr. Bob Delaney: It's always a pleasure to welcome not merely my minister but my old friend to estimates committee. I'll point out it hasn't hurt yet.

I want to concentrate on some things that are important to the community that I live in. I live in the northwest part of the city of Mississauga and, owing to its concentration of pharmaceutical companies and companies that invent, import, distribute medical technology and so on and so forth, not for nothing is the area called Mississauga Pill Hill. In fact, at the next redistribution, we may consider that with Elections Ontario—just kidding.

One point that's made to me very often is the magnitude and the importance of the contribution to

R&D in Ontario. I think the pharmaceutical companies claim to spend something in the neighbourhood of \$550 million annually in Ontario and, as they are fond of pointing out, they provide nearly 10,000 highly paid jobs for Ontarians. A couple of evenings of meeting your neighbours in Mississauga quickly confirms how many of them work in that particular area.

The global pharmaceutical market, which is in excess of \$500 billion a year, actually would be in some trouble if something happened to Mississauga Pill Hill because, as successive tours of the companies show you, when they've isolated the molecules and they're manufacturing the active ingredient, they make the entire world's supply at one place. The entire world is supplied through some of the brand name pharmaceuticals such as Hoffmann-La Roche Canada, GlaxoSmithKline. The minister had earlier talked about Sanofi Pasteur; there are many others. They'll make everything for the world in one spot, so it's a strategic industry in which our investment makes a difference not merely to the community, not merely to the province in terms of the value we create, but also to the global pharmaceutical business.

1100

We very recently launched the biopharmaceutical investment program, and it's part of the \$1.15-billion Next Generation of Jobs Fund. I'd like to focus the balance of my question on and perhaps direct your remarks to some of the ways in which that investment is coming to life and making a difference here in Ontario.

In my community, in discussing things with CEOs who have to make a decision about where to invest and where to put their companies' R&D money, they'll consider not merely such factors as tax rates—although that is one factor. Most of them point out to me, "We have no problem with that. If tax were the only thing that drove our company, our headquarters could be in Massachusetts, Pennsylvania or wherever. We could always have everything there. But there are other factors that bring us here to Ontario and keep us here in Ontario." They'll also take into account such things as the availability of skilled resources, the state of the health of the province's infrastructure—roads, rails—whether or not the price of energy is competitive, whether the supply is abundant. The thing that I've heard is that we have a natural advantage in a good, well-developed business climate and with an infrastructure that, whatever we may think of it and however much we feel that it needs to be improved, is still a world-class infrastructure.

What I'd like to ask the minister or his staff to expand upon is how this particular investment continues to create and secure high-paying jobs right here in Ontario, especially in northwest Mississauga.

Hon. John Wilkinson: For full disclosure, the member for Mississauga—Streetsville is not only on this estimates committee, he is my parliamentary assistant. I have been very fortunate to have a friend of mine be my parliamentary assistant.

Bob, as you rightly said, it's a global race when it comes to biopharmaceutical investment. The game is

changing, and Ontario happens to have researchers who are on the cutting edge of that change. I would talk about Dr. Stephen Scherer at Sick Kids. He has created a whole new brand of science called genetic variation. Two years ago, that didn't exist. He has created a whole new endeavour of science in regard to genetics, right here in Toronto, that has been very attractive. What I find when I talk to biopharmaceutical companies, particularly their directors of science, is it is that cutting edge of science that they find so very, very attractive. To be in a jurisdiction where our scientists have the freedom to explore the questions that they want to explore, to have a quality of life that's second to none and to be in a modern, diverse province—those are the things that are a competitive advantage.

But in our opinion, it wasn't enough for us to be able to compete. That's why we created the biopharmaceutical investment program, after long consultations with innovative pharmaceutical companies. The CEOs particularly told us what part of the value equation we're missing. As you know, like other sectors—I think of, for example, automotive and aerospace—pharmaceutical is a large industry, research intensive, with a high percentage of high-paying jobs, and there is a global competition for those jobs. That's why we created the biopharmaceutical fund, some \$150 million.

I said in my opening remarks that our first example of success—because that program is up and running—is the fact that Sanofi Pasteur, at their Connaught campus here in Toronto, was able to go to their head office, Sanofi-Aventis, and say, "We need a new R&D centre." And the question is, where was that going to go? I don't know about you, but I thought Ontario was a good solution compared to other places that they were looking at, I think, in France and in the United States. We had to compete for that. We had to work with Sanofi Pasteur. If we didn't have the biopharmaceutical investment program, our Ontario team would have had one hand tied behind their back to try to secure that global mandate. We were successful, and because we are providing some \$13 million, there is, I believe, a \$105-million investment happening right now in this province at a time when we need that investment. It is amazing. And as I've learned, Mississauga, Peel region, is on the global map when it comes to biopharmaceuticals, without any doubt. The concentration that we have there is what companies look for a lot of the time. Those companies don't want to be the only company in that field in a jurisdiction. They want to go to what is referred to as a cluster, where they know that there is a ready supply of highly qualified people. They want to be in a jurisdiction, for example, where you have the campus of the University of Toronto at Mississauga, and where you have the University of Toronto itself in the neighbourhood, and McMaster, University of Waterloo, Ryerson and York University all within close geographic proximity.

In that race for that global R&D investment, we know that when a company invents something, if we're there at the inception of that invention, we then have leverage by

being a partner to ensure, as best we can, that the commercialization of that new molecule or that new breakthrough in genetic engineering is something that can be commercialized and turned into high-quality, high-end manufacturing jobs right here in the province of Ontario.

I did want to turn this over to my deputy, but I would agree that we're getting the right type of public support from the pharmaceutical industry in regard to their comments. For example, David Ricks, who was the president and general manager of Eli Canada—he's now gone off to China—was able to tell us that in 2006, global spending on life sciences research and development for their company was almost \$100 billion. "Ontario has some of the brightest minds and some of the leading research institutions in the world. By working with the government of Ontario, we can leverage more investment that will create high-value jobs and fuel research here at home."

I was particularly happy that we were able to make the announcement of the biopharmaceutical investment fund at MaRS, which is a success story and a brand for Ontario.

I would ask my deputy minister to provide you with some more detail in regard to your question about how that fund works and that process so that all of us can be aware of that tool that we now have in the province of Ontario to spur foreign direct investment.

Mr. George Ross: The program is part of the government's Next Generation of Jobs Fund program and is set up in a way that requires applicants to submit proposals to the ministry. Those proposals, once deemed to be complete, go into an adjudication process. That process includes a financial due diligence review carried out by an independent company and also a technical review on the scientific merit of the activities that the company is proposing to invest in. We have a range of investment possibilities within that program, depending on the type of activity, and recommendations are made to the minister based on the due diligence assessment that is part of the review process.

Mr. Bob Delaney: I'd like to ask you to elaborate on what I think is a very good reference project that the government has begun. We've done an awful lot of work with a company that, believe it or not, is not in Mississauga, Sanofi Pasteur. Often when you're talking with companies, especially pharma companies, they'll say there are many things other than financial incentives and tax incentives. For example, some of them have said that even though there are other jurisdictions that provide different types of incentives—for example, if you want to go to India, you'll find low production costs, but many of them say, "You've walked around our plant; our production is done by machines and our product is not touched by human hands until somebody opens the bottle or bursts the blister pack." Other jurisdictions, such as Ireland, would offer fairly significant tax subsidies. A lot of the pharma companies say it's nice to have the tax subsidy, but then again, in Ontario we're already competitive in terms of tax, and you have to ask yourself

what the other trade-offs are to going to a jurisdiction like Ireland. Similarly, you'll often find a jurisdiction such as Australia say, "We have a very generous program of government incentives," and many of the pharma companies would say, "That, too, is nice to have, and it's one factor but not the only factor in making a decision." Among the other factors is going to be proximity to your major markets. And when one looks at Ontario, you're an hour's flight away from something like 200 million people. You're close to major air freight hubs, because most of their product will be shipped by air freight. Despite the cost of fuel, it's a high-value, low-weight, compact product in which, in terms of pharmaceuticals, the end product is not that sensitive to shipping costs or the cost of oil.

1110

One of the companies that took early advantage of some of the opportunity to work with the ministry is Sanofi Pasteur, to whom earlier we celebrated a grant that the ministry had made to them. Could you talk a little bit about Sanofi Pasteur, some of the things that they do and some of the difference that working with our ministry and the programs the government has introduced has made to them, to the people they serve, to their customers and their community?

Hon. John Wilkinson: Just to be clear, we have signed an agreement to provide a conditional grant of up to \$13.9 million to Sanofi Pasteur under the biopharmaceutical investment plan. Just to correct the record, it's actually a \$101-million total investment at the Connaught campus of Sanofi Pasteur here in Toronto.

What they're doing is developing new vaccines to fight serious diseases like whooping cough and cancer. One of the issues that we have in government is—I've been using the example of cancer, but we can use this in health care. People come to us and say, "Minister, we've got this great idea about how we could do a better job of treating people who have cancer." That's important to do, right? Actually, they said, "We can not only treat but we can actually cure cancer," or cure a disease. Then there are the people like Sanofi Pasteur who said, "You know, we're working on a vaccine so people don't get it in the first place." That's why we were so attracted to Sanofi Pasteur when they came to us and talked about how they wanted to have their global R&D research centre in regard to vaccines here in Toronto.

Of course, Sanofi Pasteur came out of Connaught Labs, which were known around the world for their ability to commercialize the polio vaccine—and the misery that has been avoided by generations now of the dread disease of polio. So we understand that it is important, I think, for us to have a sustainable health care system, that we do need to partner with companies that are helping us prevent disease in the first place. I think that was one of the hallmarks of why we were so interested in dealing with Sanofi Pasteur, which is a world leader in that area.

In the short term, of course, the construction of the new \$101-million centre is going to create approximately

300 construction jobs. That's good. It's securing 900 top R&D jobs right here in our province. They didn't say to us, "In the province, we can't find any labour"; there's a ready pool because of our strength of the people we have in our jurisdiction. As well, they said they've committed to hire another 30 people for the new areas of research that they're doing. I thought that what was great is that they said, "If we can discover it here, we're very open to trying to make sure that we can commercialize it here," so that we, as a government, as a partner in this, can be in on the ground floor of those decisions.

This investment, I think, will ensure that Ontario's on the leading edge of vaccine development and could position Ontario to capture a greater share of a growing global market, potentially leading to new manufacturing jobs in the future.

As I said, Ontario is in a global race with jurisdictions such as Boston and southern California to win these types of biopharmaceutical research mandates. Sanofi's CEO, Mark Lievonon, confirmed that our \$13.9-million contribution was an important factor in his ability to attract a significant long-term investment to Ontario. The president of Sanofi—Mark—said of Ontario's investment, "Thanks to the partnership, we have been able to increase the footprint and impact of our investment. Ontario's contribution was an important factor in our ability to attract this investment to Ontario."

What Mr. Lievonon was saying is that the fact that we were at the table with them as a partner trying to secure a global mandate was key to his ability to secure this investment, which could have gone to France; could have gone to Pennsylvania. It came to Ontario. So we're in a race, and we have to have a strategic partnership. We have our areas of focus. We believe there's tremendous future potential in the biopharmaceutical sphere. That's why we've created this dedicated fund.

I also think that it sends a signal, in a very competitive world, about where Ontario is, that it is open for this type of investment, that we do value that, that we do think it's an area. Of course, when it comes right down to it, I just want to reinforce that the money is important, the tax rate is important, but the most important thing is the research talent. We have to continue and, as I've said, exponentially increase the amount of money that we're focusing on our top people and make sure that Ontario is a place where they want to make these discoveries and to ensure that they live in an environment—we're acting as a catalyst; the government is doing what it can to set the conditions so that discoveries that are made here are not commercialized in another jurisdiction but commercialized right here.

If they make a breakthrough for a new vaccine for whooping cough that children around the world—actually, whooping cough is very difficult to vaccinate children against in the Third World, so what you have to have is a vaccine that can be readily available in the Third World that doesn't require refrigeration. That's the key thing. There is a whooping cough vaccine, but what the World Health Organization is looking for is one that you can

actually use in the Third World. There's a tremendous global market for that. So again, we have to make sure that if it's invented here, it's commercialized here. Being on the ground floor, having the program, being in partnership, forming strategic alliances are the things that allow us to succeed in the 21st century.

The Chair (Mr. Tim Hudak): You have time for one quick question, Mr. Delaney, if you'd like. There's one minute left.

Mr. Bob Delaney: I think perhaps we'll just take that and fold it into the next round.

Hon. John Wilkinson: I would just comment that we got an application, I made a decision as the minister within 25 days and we signed a terms sheet five days later—not 45 days; 30 days. I can tell you: Around the world, Sanofi Pasteur told everybody about how in Ontario they actually have figured out how to make a fast decision, because we work so hard in the ministry to get all the facts we need before the application goes in. We reinvented that process so that we can key in on our ability to make a decision: yes or no. Many have been brought to my attention, and again, we look forward to sharing with the public as those announcements are made over the next year or so.

The Chair (Mr. Tim Hudak): Terrific. Thank you. That concludes the time for that segment. Official opposition: Ms. Scott, you have 20 minutes.

Ms. Laurie Scott: I'll just pick up maybe on what you last said. We talked about the Next Generation of Jobs Fund. You did the Sanofi Pasteur announcement, and the fact that when the applications come in, a decision within 45 days would be turned around on a completed application. That's been, I think, over 180 days since that announcement of funding recipients. Is there another example? Has anybody else applied to that program? Do you just have one successful applicant so far?

Hon. John Wilkinson: That's great; thanks for the question. In regard to the Next Generation of Jobs Fund, we just, as I mentioned in my opening remarks, made an investment in 6N Silicon. We made an initial investment at our ministry through the innovation demonstration fund, and that's now been followed on by an investment, I think, of some \$8 million in our Next Generation of Jobs Fund, as they have found a more efficient, less costly way to make a higher-quality silicon wafer, which is at the heart of the revolution of solar power. That was invented right here in—actually, it started with two bright entrepreneurs in their garage. They figured out a better way to make silicon wafers very thin. So 6N Silicon, I can say, has been successful through the Ministry of Economic Development and Trade.

At the ministry we've re-engineered what I would consider to be the front end of the process. When I was doing those consultations about a year and a half ago for the Premier, what I heard from business wasn't about the tax rate. What they said is, "We work with you, we apply to you, and when you look at an application, because it's a due diligence process, people start off talking to the company"—because we have to make an assessment.

They would refer to it as the application going into a black hole. People stop talking to the company because we're doing our review. Then they would say, "We wouldn't know what would happen, and six months later someone would pop up and say, 'You forgot to answer question 13, and can you give us more information on question 25?'" And the company goes, "Okay," and they go get that information. They submit it and it goes back into the black hole. There's no expectation of when a decision is made. Business needs clarity in regard to the decision process.

Then we had this bold idea of having the 45-day guarantee. The way to make that is, we had to challenge the ministry, our civil servants, to come up with a different way of doing it. This is what they did. They were very innovative, and I want you to know that we're very proud of them. They said, "Really, the problem is that we don't agree when the application comes in that it's complete. So why don't we be proactive and work with companies at the front end, and both government and the proponent agree that the application is as good as it's going to be and all the information we need to make a decision is available?" That is, I think, a pretty revolutionary concept for a government.

1120

Ms. Laurie Scott: We're not disagreeing with the fast turnaround, and we appreciate that because we, of course, believe in—

Hon. John Wilkinson: But I can tell you that there are a number of companies in the pipeline for biopharmaceutical, for the jobs investment program, and also the strategic opportunities program. Because we haven't made a decision on those companies, I cannot comment on specific companies. Obviously, we deal confidentially in those matters because there is a commercial value to our decision, so we would respect that at all times. But what I can assure you is that there are a number of companies in the pipeline or, in regard to strategic opportunities, consortia in the pipeline that are coming up through the system. I do have to make decisions, and they're not always yes. Just because you apply doesn't mean you get a yes. What we do is we give companies a decision, and they appreciate that.

Ms. Laurie Scott: There are two successful applicants so far, I believe. Is that correct?

Hon. John Wilkinson: Yes, since we actually launched the program, just earlier this year.

Ms. Laurie Scott: So 180-some days ago. We've got two successful applicants. Do you feel—and I realize some have been denied and you say you have some in the pipeline—the program is under-subscribed? Do you feel it's fitting what Ontario needs?

Hon. John Wilkinson: I think it's new and innovative, so there's always time required to actually have uptake of a program. I know that we have to balance our ability to make those decisions and our ability to market those decisions. I think it goes to the question that I know you wanted to follow up on about our business outreach around the world—and we'd be

more than happy to answer questions around that. We always have to find that balance between the ability to deal with the applications but also to encourage that. But I think it's changed at our ministry and at the Ministry of Economic Development and Trade, this newer way, a much better way—I think of someone from business—of actually working with proponents.

So there is a period of time when there has to be a distance so that we can actually make a decision in the best interests of the taxpayers, but prior to that, we need to be proactive, we need to work with companies, we have to be clear what it is that we need to make a decision. Sometimes companies say, "Thanks for letting us know that, because we can't provide that yet; we're not in that position," and we can redirect them into other programs that are available.

It also gives us the strategic intelligence about how to improve the programs that we're offering. Having that much more open dialogue at the front end is helping me as a minister.

I was talking about the fact that it's that experience down at BIO—I was there for the second time; the Premier, I think, for the third time—that has really helped us see what is our unique value proposition and the fact that our top researchers are what we should put in the window, because that's what's driving those investments. As I said many times, the most important thing in an innovation agenda is talent; it's people.

Ms. Laurie Scott: I agree. Eligibility criteria is to attract and retain top talent. Under the strategic opportunities program and the biopharmaceutical investment program, I believe one of the criteria for eligibility is not the number of jobs created. Is that correct? It's part of the Next Generation of Jobs Fund, but in those two programs I just mentioned—

Hon. John Wilkinson: There are two things. We have both job retention and job creation as factors that we look at when we weight how good an application is and whether it is worthy of support from the taxpayers. Each one is assessed on a case-by-case basis. As well, as you can imagine in a process like that, there is some negotiation that goes on between companies.

I'd say there are really two scenarios that we have. We have, for example, a company here in Ontario that is part of a multinational company that is seeking a global mandate. What they need from the government of Ontario is, on the condition that they secure the global mandate, then Ontario is a partner in that bid. It's kind of like when you're bidding on the games, for example. The federal and the Ontario government came together to bid on the Pan Am Games. What was required to make the bid is the fact that we agreed that we were part of that team making an approach to bring the Pan Am Games here to the GTA. That's one part of it. Sometimes we're asked if we can solidify that, on the basis that if they're successful in securing a global mandate—for example, a new global R&D centre for Sanofi Pasteur, where the competition was Ontario, Pennsylvania and France, if I recall—what Ontario's contribution was so we can actually, through

this program, nail that down. That's one way that we can deal with companies.

There is also the question of where the company wants to make an investment and it's not conditional on them then getting a final decision from head office. They want to move ahead and they want to move in Ontario. That's a case where we also have to have the ability to make a direct commitment, to take directly to the CEO who's making the decision what the position of Ontario is. It's a bit of a nuance, but we have to have the ability to do it. So we have to have criteria that allow us to have the flexibility to respond to the actual strategic business situation that the company brings to the government, and we have to be able to do both, and do both well.

Ms. Laurie Scott: So are the number of jobs that this company will create, or this project will create—is that part of your criteria?

Hon. John Wilkinson: It is.

Ms. Laurie Scott: So what are they for the biopharmaceutical investment program, for example?

Hon. John Wilkinson: The two factors are both the number of jobs retained, particularly when it comes to highly qualified people—as you know, in the biopharmaceutical age one can talk about jobs, but jobs come in different economic impacts. So, for example, someone with a Ph.D. who's the head of research commands quite a high salary and the economic benefit of that job on the economy is higher than a job that's lower-paying. Obviously, in the Ministry of Research and Innovation, we're keying in on the sectors of the economy where there are highly qualified people who therefore command high salaries and have a greater economic benefit, per job created, than other industries. So we're focused in that.

I will turn to my deputy minister, who really understands the nuances of what it is, on a case-by-case basis, that we're looking for so that we believe we're making a wise decision for the taxpayers.

Ms. Laurie Scott: I'm just asking how you're measuring the success.

The Chair (Mr. Tim Hudak): So you're satisfied with the answer?

Ms. Laurie Scott: The deputy minister is going to speak.

The Chair (Mr. Tim Hudak): So you want the deputy minister to answer?

Ms. Laurie Scott: Yes.

The Chair (Mr. Tim Hudak): Okay.

Mr. George Ross: The specific criterion for the biopharmaceutical investment program needs to be a \$5-million investment by the company. The assessment that is done on those applications is after the due diligence phase and before there's a legal contract set—a legal document set or agreed to. It really has to do with the quality of the investment, so a global mandate for a new, global R&D type of activity in Ontario is obviously a higher priority. And those projects that have a higher number of jobs and quality of jobs, both retained and attracted, also factor into our assessment and our recommendations to the minister.

Ms. Laurie Scott: So this is not actually the number of jobs, if we look at the overall package. I'm just trying to compare because, under the Next Generation of Jobs Fund, that part that's managed by the Ministry of Economic Development and Trade requires that a project create at least 100 jobs to be eligible for funding. I'm just trying to say, where is the accountability? If this is created, how many jobs do you say, unless you're going to create—I understand the research and the top talent and that. I'm just saying it has got to have some job creation, we hope, with it, right?

Mr. George Ross: Right, absolutely. It goes into the assessment and the recommendations to the minister. It does not have the same job criteria as the rest of the Next Generation of Jobs Fund does. That's why it's segmented within the program.

Ms. Laurie Scott: Okay. And the final decision-making, then, for the eligibility criteria—I'll use for an example the biopharmaceutical investment program again—that rests with the minister?

Hon. John Wilkinson: For the biopharmaceutical investment program, yes.

Ms. Laurie Scott: Okay. That's you; it rests with the minister.

Hon. John Wilkinson: If I could add, Ms. Scott, and this may help—

Ms. Laurie Scott: Okay.

Hon. John Wilkinson: The biopharmaceutical investment plan is very specific, and then we have two ways of dealing with it in the Next Generation of Jobs Fund, both strategic opportunities and the jobs investment program. The difference is that, in the strategic opportunities, we're trying to act as a catalyst to spur on industry-led consortia. We know that there are new areas and new industries that have the potential to grow here in Ontario, and what's required is not so much government money as the government acting as a catalyst. So what we do at the ministry is, our people go out and work to ask questions to bring various industries together, the different partners—I've led some of these discussions personally—to see where those opportunities are in the 21st century and, even though many of these companies compete against each other every day, if they can see a common purpose where they could lead together with a consortium that would have as its hallmark one that is led by industry, not by government or academia, but has academia. And then, what I'm able to do as the minister is actually say, "Do you know, I have a pot of money that is available. If you can make a compelling business case that a consortia can help lead a new industry, we have criteria that would allow the government of Ontario to be a partner as a catalyst to help make that industry grow."

1130

Ms. Laurie Scott: So, the biopharmaceutical investment program: Sanofi is the only one that has been successful under that, right?

Hon. John Wilkinson: And more coming.

Ms. Laurie Scott: And more coming, we're hoping. What's the accountability as to whether they've met the conditions of the contract? You talk to them, there are conditions of the contract, you have targets set, I hope. What happens when they're not met?

Hon. John Wilkinson: They would be in default and then the money would be returned to Ontario.

Ms. Laurie Scott: And if the company—I don't mean to pick on them, but that's the example I have. What if there's no money left, they've gone bankrupt?

Hon. John Wilkinson: What we do, on behalf of the taxpayers of Ontario, is get covenants from the company to ensure that they can meet all the conditions of the contract.

Ms. Laurie Scott: So if it doesn't work out, there's still money to be taken back. But I am hoping they're successful.

Hon. John Wilkinson: When you look at the biopharmaceutical industry, you're looking at a very large industry that's in, not the tens of billions, but the hundreds of billions of dollars. So in that sphere, we are dealing with companies that are, by and large, profitable, successful and global, and they are used to entering into contracts with various jurisdictions.

They actually appreciate the fact that we have an open, transparent process in this jurisdiction, because there is clarity around what the criteria are. They know that companies are treated the same. In other words, we have a program that's available to all companies that qualify in the biotechnology sector. So they appreciate that.

Of course, some parts of our contract are business-sensitive, so we have to be aware of that. But all of that is the subject of negotiation as we get to a company. So even when we agree that we make an offer on the table, the company gets to decide. Just because we have, say, a minimum threshold for jobs, it doesn't mean we can't have an agreement for more than that. Just because we have a maximum threshold of how much we give, it doesn't mean that I negotiate to the maximum. My business background tells me that it's give and take in business negotiations.

Ms. Laurie Scott: Just to clarify, the strategic opportunities program is where the other project, the solar panels—is that where that fit in?

Hon. John Wilkinson: Yes, industry-led consortia. So we have a consortia of willing partners, but it has to be led by industry—

Ms. Laurie Scott: And there has only been one successful applicant in that.

Hon. John Wilkinson: We have not announced a strategic opportunity consortia yet. The 6N Silicon example is under the jobs investment program; Sanofi Pasteur is under the biopharmaceutical. Obviously, creating a consortia takes a little bit longer, so we've been out doing the work, getting the people together.

Ms. Laurie Scott: So no applicants so far, right, because the program hasn't—

Hon. John Wilkinson: Oh, no, we have applicants.

Ms. Laurie Scott: You have applicants.

Hon. John Wilkinson: And it's a work in progress. When you do something new, you've got to expect that there are going to be some bumps along the way, so, as a ministry, we just deal with those. We're always trying to refine our processes so that we're better.

Ms. Laurie Scott: Could you say you have a lot of applicants? Do you have five applicants, two, 10?

Hon. John Wilkinson: What I can tell you is that through the Ontario innovation agenda, we've been very clear that we have four areas of focus. As a ministry, we have what we consider an Ontario-first approach, so the work that we have done is geared toward our areas of focus. We fund collectively, both the provincial and federal governments, a lot of that research, so we actually have good connections into the research community and into the industries that have been spawned by that. But we do look specifically for industry-led consortia around our areas of focus, and there are four. That doesn't mean that we couldn't have more than one consortia in one of those areas. But again, I can't push the string, it's either there or it's not there. We can see whether it's there, but it's up to them to apply to us.

Ms. Laurie Scott: I just have a few minutes left, so I'm going to jump over to the venture capital fund, and that's the limited partnership between the Ontario government and the institutional investors. TD Capital private equity investors are the—

Hon. John Wilkinson: Fund manager. And the general partner.

Ms. Laurie Scott: My question focuses on the investment portfolio that they oversee. Last year, we had the asset-backed paper debacle. The Ministry of Finance lost a lot of money. I'm asking if you can tell us what types of stocks are being invested through the fund, if you could table that.

The one specific question I will ask about: Is the venture capital fund investing in companies that are tobacco-related? I don't know if you can answer that right away; you may need to table it—or maybe one of your assistants could.

Hon. John Wilkinson: I know our ministry will want to get into the details, but I can tell you that the Ontario venture capital fund is actually a fund of funds. That fund invests in funds. So when you invest in the fund, you pick up that portfolio. We do have a limited ability that, if we see within those funds companies that are doing particularly well, our fund has the right to take some of those companies and make further investments specifically in them as follow-on through their various stages of growth. But the simple answer is that we're not out picking individual companies. Our fund manager is not out picking individual companies; our fund manager is out picking the best of the best funds that are available. That additional capital rewards good market behaviour. We're putting money into the companies that are successful, not the ones that haven't got a good rate of return.

Historically, American venture capital return has been something like 22% and in Canada it's been 1%.

Obviously, there was a need for a change on that. What we've been able to do is use the rules of business, the power of the market, to attract market partners to come with us. They find our approach, as a government, to be truly innovative. If they make money, we make money; if they lose money, we lose money. I can tell you the shareholders of Royal Bank, Manulife, TD don't expect their companies to be losing money. So we're in partnership. We take great comfort in the power of the market and our partners' ability to inform the investment portfolio that is delivered by TD capital venture and their ability to invest.

The Chair (Mr. Tim Hudak): This segment is now concluding. Do we have an answer for Ms. Scott on the tobacco issue or will you get back to her on that one?

Mr. George Ross: The government is a limited partner, along with other partners, in that, and we entered into that limited partnership under certain investment conditions. I don't have the details of that right now, but I can certainly follow up on that.

The Chair (Mr. Tim Hudak): Super. You could follow up through the clerk, and the clerk will distribute the answer to the members of the committee.

This is the last 20-minute segment of the day. The government members: Mr. McNeely.

Mr. Phil McNeely: Mr. Minister, I was glad to see you down in Ottawa last week talking about the exciting things that are happening in your ministry.

I have an engineering background. I graduated with a slide rule and ran a company for 33 years, I think, with others, and we ended up with the hand-held computers. That innovation was always very exciting, but it was always holding back what the change was going to be, and this is always difficult.

I also tried product development, in my short retirement of two or three years after being in the consulting engineering business. To get the product there was easy, but the commercialization, the packaging, the marketing etc. was so complex.

I've talked to Jeffrey Dale, who is with OCRI in Ottawa and who runs that for the city as a participant etc. Jeffrey Dale has made presentations with others saying that commercialization is so difficult. We do great research; it's a real problem taking it out. A lot of our good research historically has been cherry-picked by huge organizations that have that capacity etc. So I think part of it is what Mike Lazaridis suggests is a cultural change that we have to have, and that cultural change probably has to come through our schools. I was at the opening of the Marc Garneau school in my riding a couple of years ago, and obviously his appearance there and his presentation has given that school a good boost—and what the kids should be doing. But how do we change that culture, how do we get the young people more interested in science?

For two years, I worked with the National Research Council person who organized the local science fairs. Certainly, these are good, these get our kids thinking in the right direction, get them moving forward.

1140

With this new impetus that we're giving research and innovation, how do you propose to change that cultural thing in our schools, get our youth thinking about research and innovation and being world leaders, and how do we get that whole cultural change in place?

Hon. John Wilkinson: It was a pleasure, obviously, to be in Ottawa last week, as many of us were there. And I can tell you, as you know, that I have a personal commitment as the minister to be in Ottawa at least once a month. Ottawa is one of those areas in the province of Ontario where we have a very vibrant high-tech sector, and it's important for me as the Minister of Research and Innovation to be there and to have people at the Legislature like Phil, who, of course, has the background in engineering.

What I wanted to talk about was, after I finished doing that consultation for the Premier/minister in regard to the innovation strategy, which became our agenda, I was then tasked by the Premier to do a consultation with those who engage youth in the learning of science and technology. I found that very informative, because the Premier said, as you've just said, Phil, that it is important for us to inspire that next generation of leaders in science and technology but also in business, because we need to have entrepreneurs.

So the one thing that I found interesting is, I have met truly world-class scientists. I always say that the difference between the smart scientist and the brilliant one is that the brilliant one can actually explain it to people like us. But the one thing that I've learned by talking to them as the minister of research is, they all say they had this seminal moment where they got turned on to science. Generally, it is either an experience—think of, say, the Ontario Science Centre, where you have a hands-on experience with science—or it's because of a mentor. So what we try to do in our ministry is embed that within the money we spend. We have two programs that we're very proud of: YSTOP and TSTOP. YSTOP is the youth science and technology outreach program and TSTOP is in regard to teachers. So what we do is provide a lot of money for a lot of researchers, and we make it a condition of their research that they have to show how they can reach out to children and allow them to see that.

I was up at the Northern Ontario School of Medicine. They have a research lab there. A teacher qualified under TSTOP. His background was in sciences and then subsequently he got his B.Ed. and became a teacher. He spent the summer at the research lab at the Northern Ontario School of Medicine. But the deal was that if he did that, he would be able to bring his class back; he'd be able to tell the kids what he was doing with these other researchers and then bring those kids back right into the research lab. And that happens right across Ontario.

As well, we have the YSTOP program, where the researchers figure out how it is that they can actually inspire young people. Thousands and thousands of children a year in Ontario have that, but we didn't think it was enough, because what we need to do is have the

ability to reach kids at all levels. We have a vision in our ministry about how we need to make sure that there's a science experience for all children three times in their life: in the early years, where they're most impressionable, in their elementary school years and in their high school experience.

I was able to prevail upon the Ministry of Finance to provide some additional funding to the ministry, some \$5 million, and we've made two strategic investments into two truly phenomenal organizations. One is Let's Talk Science, and they gear specifically to children in their early years; amazing work. I've seen the work that they do; Dr. Bonnie Schmidt runs that. There's also the Youth Science Foundation Canada; they're the group that organizes all the science fairs in Ontario. We've given them \$3.5 million, giving them additional capacity. What we've asked them to do, and this came back from the consultation I did—where are the gaps and what do we need to do to improve that?

Again, the scientists who are leading the world here in Ontario will always tell you about that moment that they got turned on to science and technology. I think that's the case of any of us who have a vocation; probably we, around the table, remember the time when maybe it twiggled that we wanted to go into politics. There's that moment, and usually it was an experience or it was a person. It's the same in science and technology.

It's interesting, when I was doing this, I read a report that in Third World countries a lot of children go into science. They see it as their route out of poverty. But here in North America, our children are becoming less and less interested in science because they take it for granted. They have an iPod. It doesn't look very technical. There is an interface to make it easy to use, which is why it's such a great technology, but the kids aren't particularly interested in cracking it open and seeing how it works. So in North America we actually have to reach out to our children to make them understand that all of the things that they have actually come through the creation of intellectual property, through the creation of a great idea.

I've had a chance now to be in classrooms and research labs and see that moment when children have that spark. At the end of the programs, they always ask the kids, "How many want to be a scientist?" At the beginning of the program, it's few, but when they actually have a chance to see science up close and personal and see technology—and I know my deputy minister can share with you some more information about how our ministry delivers these programs and ensures that we're getting results with regard to our outreach to youth.

Mr. George Ross: We have a number of programs that support outreach to youth. Our main program is the youth science and technology outreach program, YSTOP. That program has four goals: to connect youth with science and technology mentors, with a leading role by publicly funded researchers; to provide youth with hands-on science and technology experience that reflects Ontario achievements in science and technology; and

engage youth across the province, with an emphasis on youth living in rural and remote communities. The program was launched in April 2005 and continues to this very day and is a very successful program.

Mr. Phil McNeely: Thank you, Minister. I'll be sharing my time with Kevin Flynn.

The Chair (Mr. Tim Hudak): Mr. Flynn, there's about 10 minutes left on the clock.

Mr. Kevin Daniel Flynn: Thank you, Chair.

I've got two brief questions, Minister, and the second one will relate to something that's happening in my own riding, but the first is that a number of questions today from the opposition and our party have focused on the imperative of economic growth in Ontario. I think we agree that's something that we all want—but not just economic growth for the sake of economic growth. There's a lot of social good that comes along with that. It gives us an ability to provide better health care, for example, and it gives us an ability to provide superior education and that type of thing.

I want to take you back to May 2000 when a report was issued by a group called Campaign 2000, which is a group that is determined to eradicate child poverty in Canada. They came up with a report titled *Work Isn't Working for Ontario Families*. The essence of the report is that the breadwinners of the family were going out on a daily basis, putting in eight hours a day, but the income derived from those jobs simply wasn't enough to support them in the province of Ontario. The report also said that as the economy is changing, as we move from the blue-collar jobs to the green-collar jobs, Ontario needs to be on top of that, that it's something that we need to develop partnerships with. We need to steer our government policy in that direction and make partnerships, as I said, with the private sector. I think John Cartwright from the Toronto and York Region Labour Council also agreed and said that the experience that he's seen in the United States, where certain jurisdictions have moved in this direction, has been positive and that Ontario should be taking full advantage of that, if it can, obviously. I know we've taken some steps in that regard, as far as the Next Generation of Jobs Fund and the forgiveness period on the tax exemption for commercialization, but I wonder if you can extend the thinking of that report and how you're able to work with that, how you're able to make Ontario a place where the jobs of the future are jobs that are going to be able to support young people who are leaving post-secondary education now and existing breadwinners who today perhaps are finding that some of the blue-collar jobs of the past aren't going to provide the future they once thought they would.

1150

Hon. John Wilkinson: Thank you, Kevin, for the question. I would say that it goes to the hallmarks of what we need to do and builds on the investments that we've all made in regard to education. The route to economic success is obviously to have the skills, and in our five-point economic plan, Minister Milloy, who's our Minister of Training, Colleges and Universities, has the

\$1.5-billion skills-to-jobs fund. It is about making sure that we're providing our young people with the skills, and actually also for workers who, through no fault of their own but because of the whipsaw forces of globalization, have lost their jobs. There are great jobs going wanting in the province of Ontario, but we have a shortage of skilled labour, not a shortage of labour—a shortage of skilled labour. That's why we're making record investments to improve our ability to provide that skilled labour.

I'm particularly proud that our ministry has helped MTCU look at these new areas. When it comes to electricians who know how to deal with renewable power sources, what does an electrician need to do to be able to hook up an anaerobic digester or a windmill or a solar park? We need those electricians, but they need to have those new skills. I look at those types of areas. We're working with the Ministry of Training, Colleges and Universities. We're trying to give people those opportunities, and we can help our sister ministry see where those opportunities are developing and make sure that we marshal our resources in regard to training. Education is the key determinant of economic success. That's why we have such a firm commitment to education.

What our ministry is doing is taking these kinds of legacy investments that I think we all around this table can be proud of and actually going the next step. I think it's logical in the 21st century for a progressive government to take the next step to capitalize on the investments that have been made in the past. Particularly, it is important for us to recognize that people need to be able to adapt in a world that's moving so quickly.

To me, you're either at the back end of the curve or at the front end of the curve; both have problems. It's tough being at the leading edge, sometimes the bleeding edge. It is difficult, but I think it's a safer place to be for our economic future because when we get to market first and best, those jobs cannot be readily copied by other jurisdictions for less money. If you have something that you've had for quite some time, the competitive forces of globalization will have other jurisdictions trying to make whatever we've invented for less money and do it, for example, in larger quantities because they have larger economies and they have economies of scale that we can't even think of here in Canada.

I think the best place to be is in that nimble area at the front of the curve where you get there best and first. I always use the example, because it's an Ontario innovation and second to none, of the BlackBerry. The first BlackBerry I got was in 1999, before I ever got to this place. The thing about RIM and other companies is that not only did they make the best and get to the market first, that wasn't enough. Every nine months, they make their product better. They have embraced as a corporate culture the culture of innovation because they see that if they stop, other jurisdictions and other companies will figure out how to do what they did for less money. They're always ahead of the curve. Some companies do

that, but we're trying to help foster a culture of innovation so that all companies see that.

In regard to your question about poverty, we're doing something quite innovative. We have our social venture capital fund. Dealing with social innovation generation at MaRS, we've provided some \$20 million to take advantage of a program that I think we first learned of from England—where you hail from originally, I know, I say to the member for Oakville, from my grandfather's home town. What we're asking with social venture is, can we take the power of the venture capital community and social imperatives and in a new amalgam bring them together to come up with innovative ideas to solve the social issues that have bedevilled all governments for over 100 years, poverty being one of them? Are there new models or new ways of embracing it? Having a ministry of innovation allows us to play a key role to be open to those new ideas.

Government, by the nature of its accountability, can tend to be siloed. We believe that we're a force of horizontal integration. We at our ministry provide a place for government to come where new ideas, by definition, are welcome. That's one of the co-benefits of creating the Ministry of Research and Innovation. We think that in the social sphere, we can actually take the best practices that we've learned from venture capital and the ability to mix people together and act as a catalyst and actually drive that forward.

In conclusion, I would mention that when we formed government, we were inspired by what they were doing in England in regard to education and in regard to improving rates of literacy and numeracy and graduation. Interestingly enough, now the English come to Ontario, because we're getting such great results; they're trying to figure out how we did it. So again, there's always that plan, that we need to get to the leading edge, and when it comes right down to it, those of us who are all here as part of a democracy, that really is our role. It is a role that we have to embrace: How do we introduce the future to the present? In this jurisdiction, we can't have the future come quickly enough, and that's why we work so hard to make that happen.

The Chair (Mr. Tim Hudak): You have time for one quick question, Mr. Flynn.

Mr. Kevin Daniel Flynn: How much time is that?

The Chair (Mr. Tim Hudak): A minute and a half.

Mr. Kevin Daniel Flynn: I just wanted to ask you for your opinion on a visit you made to Oakville, to visit a company. I know that the Premier's been there, you've been there, I've been there on a number of occasions. The company's name is Petrosep, and what they've done is take what used to be—when a solvent was used in a process, it would become contaminated and then you'd have a disposal problem; you'd have to get rid of the solvent some way. Often it was just stored, often it was burned. These folks have come up with a way, a closed-loop process, which not only takes the contaminants out in a very environmentally responsible way, it allows you

to recycle the solvent itself, whether it be chlorinated or otherwise.

This is a membrane technology; it took 14 years to come to fruition. We've been involved for the last year, I think, and we've given them a \$1-million forgivable loan as part of the innovation demonstration fund. I just wondered if you could elaborate on why that company was picked and how it illustrates the success. As I understand it, they've got 21 people employed, and hopefully we'll have more in the future. Why were they picked over others?

The Chair (Mr. Tim Hudak): You have 30 seconds to elaborate.

Hon. John Wilkinson: I think there's yet another example of that new formula. The world is looking for a way to eliminate the sources of pollution. One of them is the fact that water gets contaminated with chemicals and there hasn't been a good way of separating the chemicals from the water and the water from the chemicals. This company in Oakville has figured out a better way; they've built a better mousetrap. And they are learning how to do that on a large scale. There is a tremendous global market. Whoever can figure out how to do that has the global market beating a path to their door. I'm quite impressed that that company of course has venture capital, not just from Ontario, but around the world, particularly in New York.

There's great potential there, and so that's why I'm glad that our innovation demonstration fund allows us to be a partner, but in particular, it allows us to leverage our common interests in making sure that if that company meets a global demand, they meet that global demand right here in Ontario, driving jobs into Oakville. So I think it is a wise spending of public money, and it goes to that idea of the new formula of what's required to have success in the global economy.

The Chair (Mr. Tim Hudak): We'll leave it at that. Thank you, Minister.

Some quick items of business: When we resume, I would plan, as Chair—the NDP will have make-up time—to start with the third party, an initial 20-minute segment, then we'll revert to our regular rotation: the official opposition, third party, government. We'll follow that rotation, and there'll be a 20-minute make-up for the third party that we'll put into their time, maybe two 10-minute segments added on. According to the legislative calendar, our next scheduled meeting will be Tuesday, September 23. We'll have the minister back in the afternoon session for two hours and then we should conclude research and innovation on Wednesday, September 24. Then we will have the Ministry of Labour, if all things go as planned, on September 30. Any questions on our upcoming business?

Ms. Laurie Scott: So September 23 and 24?

The Chair (Mr. Tim Hudak): Yes. We have four hours and 15 minutes remaining in research and innovation.

Ms. Laurie Scott: So two and two, roughly. Okay.

The Chair (Mr. Tim Hudak): Yes. We got through two hours and 45 minutes today. We have four hours and 15 minutes remaining in the Ministry of Research and Innovation estimates, which we should knock off in two afternoon sessions, and then it will be the Ministry of Labour following that.

Okay, folks, Minister, Deputy and the ministry team, thank you very much for appearing here and responding

to the members of the committee's questions today. We'll look forward to seeing you back on September 23. Members of the committee, thank you very much; a great day today again, and enjoy the rest of the time before we're back in September. This committee is now adjourned.

The committee adjourned at 1158.

CONTENTS

Thursday 4 September 2008

Ministry of Research and Innovation	E-281
Hon. John Wilkinson, minister	
Mr. George Ross, deputy minister	

STANDING COMMITTEE ON ESTIMATES

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Standing Committee on Estimates

Ministry of Research
and Innovation

Comité permanent des budgets des dépenses

Ministère de la Recherche
et de l'Innovation

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STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 23 September 2008

Mardi 23 septembre 2008

*The committee met at 1600 in room 151.*MINISTRY OF RESEARCH
AND INNOVATION

The Chair (Mr. Tim Hudak): Good afternoon, folks. I'm pleased to call the Standing Committee on Estimates back into session. We are resuming the consideration of the estimates of the Ministry of Research and Innovation. Again, we have the Minister of Research and Innovation, Minister Wilkinson, George Ross, the deputy minister, David Clifford, the chief administrative officer—oh, you guys switched.

Hon. John Wilkinson: Yes. And?

The Chair (Mr. Tim Hudak): And Robert Taylor.

Hon. John Wilkinson: No.

The Chair (Mr. Tim Hudak): Sorry.

Hon. John Wilkinson: Chair, Dr. Tony Vander Voet, who is assistant deputy minister. We congratulate him on his appointment.

The Chair (Mr. Tim Hudak): Fantastic. Welcome, but they switched sides, didn't they? I'm confused. It's the uniform of research and innovation: the glasses, the goatee look and that.

Interjections.

Hon. John Wilkinson: I'm feeling a little under-dressed.

The Chair (Mr. Tim Hudak): We'll see the minister sporting them soon enough.

Mr. Bob Delaney: We could always ask them to change places back again if it would please the Chair.

The Chair (Mr. Tim Hudak): We'll move forward, I think. We have a total of four hours and 13 minutes remaining, folks. We'll remember that for obvious good reason we congratulate Mr. Bisson on the birth of his grandchild—a little boy, I think.

Mr. Michael Prue: Yes.

The Chair (Mr. Tim Hudak): So we congratulate, in his absence, Monsieur Bisson. Members of the committee were kind enough to agree to stack time so the third party will have their time. They have 40 minutes in stacked time.

When the committee was adjourned, the government had completed its 20-minute rotation. What I'm going to propose to do is start with the third party for 20 minutes, then we'll resume a regular rotation. So the official opposition, the third party and then the government, and

to subsequent 20-minute sessions the third party will have 10 minutes added on so they get all of their stacked time back without too many long blocks of interruptions. Do I have agreement on that?

Mr. Bob Delaney: Sure.

The Chair (Mr. Tim Hudak): Okay. We'll walk through it just to make sure we're all set. So we're going to go to Mr. Prue for his opening 20 minutes of questioning.

Mr. Michael Prue: There you go: thrown right into the lion's den, and here I am.

To the minister: I had the opportunity of spending Saturday evening in lovely downtown Stratford, and I want to tell you it is as lovely as it was when I was there in June.

Hon. John Wilkinson: Were you there for Savour Stratford, our new culinary festival?

Mr. Michael Prue: I have a number of questions here that we'd like to ask about research and innovation.

The first one is about the Institute for Competitiveness and Prosperity. This is one of the favourite things the Premier talks about. Whenever he gets a few seconds in the House, he likes to throw it in. We were looking through some of the most recent annual report and came across some interesting material. I'd like to quote from the report, and then I have a question.

The quote is, "Ontarians are not investing adequately for their future prosperity. This is true for investments in physical and human capital by individuals, businesses, and governments. Our future prosperity and our ability to achieve our full potential depend on the investments we make today in these areas."

The report's first recommendation in its investment section is for Ontario companies to increase their investment in machinery and equipment. We in the NDP have proposed a manufacturing investment tax credit of 10% or 20% for green technologies for such kinds of investments. Can you tell me why the government of Ontario refuses, to date, to introduce such a credit that other provinces, such as Saskatchewan, Manitoba and Quebec, have all done?

Hon. John Wilkinson: I want to thank Mr. Prue for the question, and I'm delighted that you were in my hometown of Stratford on the weekend.

I think I've always had a good working relationship with Dr. Roger Martin at the University of Toronto—we take a look at their reports. I can tell you that the question

you ask in regard to a manufacturing tax credit is not something that would be under the purview of responsibilities I have as Minister of Research and Innovation. I think that question would probably be more appropriately addressed to the Minister of Finance, who has purview over that.

Mr. Michael Prue: In fact, it has. You were sitting beside him today, when he introduced a new bill ostensibly to do much the same thing. He spoke that it was in conjunction with your ministry, and I would have to think you are being consulted on this. Can you tell me what you, as minister—I don't want you to tell me anything that came in cabinet; I know you can't—have advised the minister? Obviously, if you think this is what we should be doing and what your ministry should be doing, why have we not embarked down a path that has proven successful in other provinces; why are we embarking today on a new path to take the information from universities and have that information paid by the taxpayer?

Hon. John Wilkinson: As I was saying in my earlier statements to the committee—and I shared with them my thoughts about this—all parties around this table have made, collectively over the last few decades, a tremendous investment in our post-secondary education institutes: universities, colleges and our academic research hospitals.

The question in the 21st century is: If an innovative, great idea comes out of the research we've all collectively paid for, how do we translate that into the Ontario economy—not into the economy of another jurisdiction but into the Ontario economy? I think the measure introduced, not by me, as you noted, but by the Minister of Finance today, the Ideas for the Future Act, is about an Ontario tax exemption. Actually, the tax has to be paid to the federal government, and then we're prepared to refund it if the company qualifies.

We're trying to set up a relationship wherein we take the strength we have as a globally competitive research jurisdiction and drive through a culture of innovation that allows us to commercialize those ideas in this province. I think we send a very powerful signal to people, definitely in Canada and even around the world, by having this new tax measure, which in itself is landmark and innovative. We're saying that the very best place in Canada to commercialize intellectual property that arises from research out of any post-secondary education institute—any college or university, research institute or academic hospital in the entire country—would be here in Ontario. It is landmark, it is innovative, it is new, and it will be up to history to determine its effectiveness.

But we, at our ministry, are convinced that we can play a supporting role with the Ministry of Finance as they determine which companies qualify for this. We find the approach we've taken is one that cuts through the regular clutter of tax exemptions that are available and different things that are available from the government and actually brands us as a place where we have embraced innovation, where we feel that if someone has a

great idea at the lab bench, it needs to be translated to the bedside when it comes to academic health. If there's someone, for example, who has uncovered a new way of providing a greener source of energy with nanotechnology, it is not right that that would be held in the halls of academia and not translated into our economy. We clearly need to send the signal that we want to translate that into the economy right here in Ontario and not in another jurisdiction.

That's why I was proud to support the Minister of Finance. He made the announcement, as you'll recall—I think it was on March 24 of this year—during the budget. **1610**

I'm sure that as we debate the bill in the House—of course, we're hopeful that the House will decide to pass the bill, and I think there will be vigorous debate on the bill. But I think the intention of the measure is very clear: We have to translate this research powerhouse that we have in this province—which was recognized just the other day by the province of Alberta, with the arrival of Dr. Shoo Lee to Mount Sinai—and we need to do a much better job at taking those ideas that come out of there and commercialize them here to the benefit of our province, so that we can continue to have a prosperous standard of living.

Mr. Michael Prue: In many jurisdictions around the world, business, particularly large multinational corporations, seem to do an awful lot of their own research, without a lot of government intervention or monies. We seem to be saying here today, and in the past with your ministry, that they need to be subsidized. Why do you feel that they need to be subsidized? Why aren't they doing it themselves?

Hon. John Wilkinson: Well, first of all, I would disagree with your assertion about that, because when you take a look at the combined after-tax cost for research through what is known as the SRED credit from the federal level, which is matched by the provincial government, we have the lowest after-tax research cost in Canada, and I believe in North America. I think that has set a condition that allows us to enjoy what we have today, which is being one of the most research-intensive, globally significant centres for research in the country, and in North America. The question is, why are we not doing a better job at taking that research and translating it into our economy through the process of innovation and through commercialization? The challenge that we have, and the reason I believe that the ministry was created, is to get at the nub of that problem.

There are very few jurisdictions around the world that have mastered this ability to create an innovative culture. It is not something that is everywhere in the world. I would commend the work that's happening here in Ontario, but if you look around the world—you look at Ireland, Finland, Boston and San Diego, for example, in life sciences—there are a few places around the world that are very good at translating research innovation and new intellectual property into jobs. But that is the game afoot for us in the 21st century, in this jurisdiction, with a

high dollar and a high cost of energy, and a major trading partner that is having significant issues.

As I was saying in my opening statement, the concept—what pushes us at the ministry of research—is the understanding that this is an imperative. As I said in my opening statement, I think it's a non-partisan imperative. It is the strength that we have that, collectively, we must unlock, because that generates those types of jobs, which are very unlikely to be transferred to another jurisdiction. Companies that embrace innovation, companies that are constantly improving their product, companies that are reinvesting in research and development—those companies are not creating jobs that are easily translated into another jurisdiction for less money. So we look at companies that have been successful on the global scale because they've embraced innovation and have constantly had continuous improvement in their processes and in their products.

That, I would argue, is not a culture right across the province of Ontario, but I would also argue—I think we would all agree—that that is the culture that needs to be instilled and strengthened here in the province of Ontario. It's an economic imperative.

Mr. Michael Prue: Well, I listened to you, but I also have read the report from the Institute for Competitiveness and Prosperity, and unless I was reading wrong, it seemed to me that they were very critical of the quality of Ontario's private sector managers. They see that some of the management shortcomings were a major barrier to innovation, specifically—and I'm going to quote what they said:

"The Ontario Ministry of Research and Innovation correctly identifies the importance of a 'culture of commerce' in its strategic plan. However, in our view it needs to go further in recognizing the importance of management skills in the commercialization of research."

Has management failed the companies, and through that, the people of Ontario, in seizing these opportunities? Have they failed so far?

Hon. John Wilkinson: I wouldn't characterize it by saying that they've failed, other than I would say that the institute is correct in its assessment, that it is the purpose of that think tank to actually move or ask the questions and to challenge our business leaders.

When I first arrived at the ministry some two years ago, when I was originally the parliamentary assistant and, as I was saying to the committee earlier, I did the consultations on behalf of the minister across the province, what I found was that we have world-class scientists, Mr. Prue—

Mr. Michael Prue: Absolutely.

Hon. John Wilkinson: —who are by and large business illiterate, and we have world-class business leaders who are by and large scientifically illiterate, because they are at the top of their game in their respective fields, and in innovative cultures they are able to bridge that gap. I was saying how we feel as a government that the appropriate role for government is to act as a catalyst, that we're actually able to create the vessel where these

different people have a chance to mix. I think all of us are proud of the investments we collectively made at MaRS. There's a great example of a global brand research centre which is marrying both the scientific excellence and the business skills. That is at the heart of what MaRS is all about: this meeting place of people with different skills. I've always said it's like trying to create a lingua franca, the ability for these two groups to actually talk, because we know that when they get together and they do talk, this happens.

What I have is the business mentorship and entrepreneurship program, BMEP, that my ministry funds through ideas to marketing a program. That is provided to entrepreneurs right across Ontario through my Ontario commercialization network. But I continue to act as an advocate, as does the institute, challenging our business leaders, the deans of our business schools, about how we need to move forward, and there are new, innovative programs that are available. I know that Laurier, for example, in downtown Toronto has a business degree in entrepreneurship. I know that at the University of Waterloo, they've created a new undergraduate program, and the kids who are in that program are actually in the same residence. They actually have a residence that in itself is to be an incubator for great ideas in new businesses, a very novel concept. That's at the University of Waterloo.

I've had a chance to talk to people like Carol Stephenson, from the Richard Ivey school, and also to Roger Martin at Rotman. They see, I think, that more work needs to be done to create those people who have those two sets of skills: You almost have to be bilingual. So we need these scientists who have a better understanding of business and the imperative of how one commercializes a great idea.

I don't want my Nobel laureate-track scientists to stop what they're doing and then go back to get an MBA, and I don't want my business leaders to stop and go get their Ph.D. in physics, but I do want to do everything I can to give them the skills and create the interlocutors that can actually help them to have that conversation. And the appropriate role, as I was saying in my opening statement, is that government can act as a catalyst, can help the number and frequency and quality of those interactions.

So we take the advice from the institute quite seriously and we're moving forward as hard as we can to take the wisdom of their advice and that of others about how we need to act as a catalyst to improve those interactions at all times.

The Chair (Mr. Tim Hudak): Mike.

Mr. Michael Prue: That's my 20 minutes?

The Chair (Mr. Tim Hudak): No, no—about five minutes left.

Mr. Michael Prue: Oh, okay. Just in that same vein, approximately how many people are involved in this catalytic process, and how much money is being spent?

Hon. John Wilkinson: I would say that since we launched the Ontario innovation agenda last spring, that is the sole focus of the Ministry of Research and Inno-

vation. I'm sure my deputy will help me out with this. I believe we have about 126 FTEs at the ministry—

Mr. George Ross: It's 137.

Hon. John Wilkinson: It's 137—very good.

Mr. Michael Prue: It just grew by 11.

Hon. John Wilkinson: We've been asked by the government, of course, to provide more programming in this key area. I would also like to thank the Minister of Finance. In the last budget, you'll recall that he allocated an additional quarter of a billion dollars to research, and were very helpful for that, because we need to spur on that research excellence, but again, to continue to do that. And then of course the budget of my ministry and the estimates are obviously public knowledge, and I can answer any question you might have of line by line—anything specific.

Mr. Michael Prue: You anticipated my next question. Over \$55 million of your ministry's operating budget goes to the Ontario research fund. Year after year, this is consistently one of the biggest line items in your ministry, but we don't see any specific projects mentioned in the ministry's estimates books. Can you give three, four or five examples of projects funded? I'll ask that first. Can you give us some of the bigger ones that have been funded and the costs associated out of the \$55 million?

1620

Hon. John Wilkinson: Well, that's great; there are two things, Mr. Prue. Just to give some context, the Ontario research fund was created as a matching program. It's peer review. As I said, one of the hallmark, central operating principles of the Ministry of Research and Innovation is that we do not allow political science to interfere with science. So the decisions that are presented to me by my blue-ribbon Ontario research fund advisory board are based on globally significant, peer-reviewed scientific excellence. So the people who get the money are the top researchers that we have in this province, and that assessment has been made by their peers.

I'll give you an example that just last week I had the opportunity to announce some \$21 million worth of research funding under something called the research infrastructure program that went to the health care sector, health care researchers, life science researchers here in Ontario. I was at York University to make the announcement. I had a chance to be in the lab of Dr. Dorota Crawford. Now, Dr. Crawford was with Dr. Stephen Scherer at Sick Kids. Dr. Stephen Scherer recently uncovered an entire new brand of science, a whole new area of endeavour.

We all know that we have genes. What we didn't understand is that, although we all have the same number of genes, we have various numbers of copies of those genes. So some people would have one pair of genes and other people might have two or three copies of that. Dr. Scherer has unlocked this through the analysis that he has done as he was working in regard to the issue of autism. Now, the money that we were able to invest with Dr. Crawford was to buy a new piece of equipment, state of the art around the world. She's trying to see whether or

not there are indeed environmental triggers that trigger autism in those children who are genetically predisposed because they have this copy number irregularity. So that would be just one example of the type of work that is at the top, from a global point of view. Our researchers are doing things that are not done anywhere else in the world. That's why we fund them. It is truly globally significant.

I could go into detail about the investments that we make, but the key things—and I could give you some more detail. I'll give you an example in regard to the Centre for Intelligent Antenna and Radio Systems at the University of Waterloo. It was \$5 million, and it is developing the next generation of wireless technology. "The rapid spread of wireless technology is creating major opportunities and challenges." This \$12.8-million initiative, of which Ontario is contributing some \$5 million, "will help Ontario's information and communications technology sector maintain its world-renowned leadership in wireless technology. Researchers under the direction of Dr. S. Safavi-Naeini at the University of Waterloo's new Centre for Intelligent Antenna and Radio Systems will develop intelligent radio network systems and other cutting-edge radio sensor technologies. The centre's five interrelated laboratories will, for the first time in Canada, bring together world-class research and equipment to spur the development of next generation wireless systems. The systems will support emerging technologies such as biomedical sensors, pharmaceutical engineering and wireless ultra-broadband networks."

I might add in the green technology sector—

The Chair (Mr. Tim Hudak): Do you know what, Minister? I'll have to stop it at this point in time. There may be a question on the green technology sector shortly. Thank you, Mr. Prue. The time has expired for the first round, and we go now to the official opposition. Ms. Scott, you have 20 minutes.

Ms. Laurie Scott: Thank you very much, Mr. Chair, and thank you, Minister, for appearing before us again today. I was just recapping—I think it was, what, three weeks ago, roughly that we were here.

Hon. John Wilkinson: And have you been to Stratford?

Ms. Laurie Scott: I've not been distracted at all.

Hon. John Wilkinson: You're always welcome.

Ms. Laurie Scott: I was asking some questions, I think, on the Ontario venture capital fund. It's managed by TD Capital Private Equity Investors, right?

Hon. John Wilkinson: Yes.

Ms. Laurie Scott: Could you tell us what the monthly annual management fees for their services would be?

Hon. John Wilkinson: That's a good question, and I'm sure I can get that for you.

Mr. George Ross: We're going to have to follow up with that. We'll have to do some research, and we'll get back to you on that.

Ms. Laurie Scott: Okay. So I'll put that as a table. We had asked before, in the same vein—I was just checking Hansard, and I think you were going to follow

up—what investments they may be in, and we asked if there were any investments in the tobacco industry. Mr. Ross, I believe you were going to follow up on that. I don't know if you have that today, or is it still forthcoming?

Mr. George Ross: As I mentioned in our last meeting, the province is in limited partnership with other institutions and we're engaged with a general partner. Before we communicate that type of information, we're contractually obliged to consult with our general partner. We're in the process of doing that right now, and we will certainly follow up with that information later.

Ms. Laurie Scott: Okay. Thank you for that. We'll look for that to come forward.

I had some questions we didn't quite finish up, because we kind of went around topics as our 20-minute cycles came. One was about marketing. You've got the ministry's mandate to:

—develop an integrated innovation agenda and lead its delivery,

—align and coordinate Ontario government investments in both policies and programs to deliver on the innovation agenda, and

—foster a culture of innovation and showcase Ontario, nationally and internationally, as a place where innovation is inevitable.”

You mentioned some of the conferences you have been to. Is it San Diego that's coming up?

Hon. John Wilkinson: No, we were there, at BIO.

Ms. Laurie Scott: You did bring in a bit about the marketing and our scientists and their scientists coming together, but we really didn't ask if you could expand a little bit on that. Is it country-specific? Do you know of any alignments that may be happening with Canada—or Ontario—and other companies at BIO?

Hon. John Wilkinson: First of all, the BIO conference is the largest one in the world. We were in San Diego; the year before, we were in Boston; and the year before that, we were in Chicago. It is by far the largest life sciences conference in the world. I believe that in San Diego there were some 25,000 participants. I might add that it's so large, but we'd love to have BIO back in Toronto. It was here many years ago, and we think it would be wonderful for the province of Ontario to be a host of this great international conference.

That said, what we're finding is that our researchers are leading more and more international consortia. I was talking about Dr. Tom Hudson leading the International Cancer Genome Consortium, actually the largest effort in that regard in the history of mankind. It is a project that is some 25,000 times bigger than the human genome project. But we also look at the international stem cell consortia, the international consortium in regard to the regulome, the International Barcode of Life. I put that on the record because our researchers have been able to reach out across the world and lead these international consortia.

What we've decided, from a marketing point of view, is that it makes sense for us to take advantage of that

strength that we have, that brand we have been given by our topnotch researchers around the world, and use that as a way, we hope, to open doors so that people see this province as a very good place for them to have research-intensive industry, which of course is one of the focuses of the Ministry of Research and Innovation.

It is important for us, therefore, that when we go there—I had the advantage when I went to San Diego not only to go to San Diego, which is high-tech centre and one of the leading biomedical research complexes in North America, as is Toronto, I might add, but I also had an opportunity to travel to Silicon Valley, which is just below San Francisco, and actually meet a number of companies there, leaders in industry, particularly in information and communication technology, and I found that to be very beneficial, because those companies really have the globe in front of them as to where they're going to make investments.

So it is important for us in Ontario to lead with our strength, which is our researchers, and to engage them in the conversations they need to have to make sure we are a jurisdiction they would like to invest in. I know we have the lowest after-tax research cost in Canada—in North America?

Mr. George Ross: I believe so.

Ms. Laurie Scott: Maybe just expand on the lowest after-tax research cost. Specifically, what is the lowest after-tax research cost? Can you give me an example?

Hon. John Wilkinson: Yes. We have something known as the SR&ED credit, and that's federal, and then we have a combined tax system. We work very closely over many governments and many parties at both levels of government coordinating that, so that the actual cost to a company—they're able to get a substantial tax credit for what they spend on qualifying research. That, in itself, makes our jurisdiction so very attractive. I would say in large part that suite of tax measures has led to Ontario becoming a global powerhouse when it comes to research. As I was saying to Mr. Prue, it's important for us to have complementary measures that spur on the commercialization of that research in this jurisdiction and not in another jurisdiction.

I could ask—

1630

Ms. Laurie Scott: Do you have actual proof of someone who said, “Wow, that's quite competitive, these after-research tax dollars”? Because you and I have had this argument about marginal effective tax rates before.

Hon. John Wilkinson: For example—I'll put this right into the record for you, Ms. Scott—in a recent study by KPMG, which is a global accounting firm, entitled *Competitive Alternatives*, the G7, 2006, Canada was deemed to have one of the lowest business costs relative to a number of international peers. In addition, Canada's cost advantage in research and development, in R&D, was deemed to be 10.9% over the United States. Our cost advantage to the company was 10.9% greater, to be here versus in the States. This is evident in Ontario, as according to ReSearch InfoSource in 2006, six of the top

10 R&D performers in Canada were located in Ontario. We're 40% of the country; 60% of the top 10 R&D performers are here.

To strengthen Canada and Ontario's R&D tax advantage, a number of tax incentives operate in Ontario to support industry-led innovation. A summary of these tax incentives is provided to me, and we'll go through them. First of all, in regard to corporate taxation: Firms operating in Ontario are subject to a combined federal and provincial tax rate of 36.12%. However, because manufacturing and processing firms are subject to a lower rate of provincial tax, their combined rate falls to 34.4%. This combined rate is generally less than the combined statutory US federal and state tax rates. This also compares favourably with a number of peer provinces and US states.

In the provincial budget, 2008, the capital tax for manufacturers and resource companies was eliminated retroactive to January 1, 2007. For other sectors, the capital tax rates were cut by 21% and will be eliminated completely by 2010.

But now let's get into the issue of research. The federal scientific research and experimental tax credit, which is referred to as SR&ED: The SR&ED tax credit allows for a 100% deduction of eligible innovation costs, including capital equipment, and a 20% investment tax credit on SR&ED expenditures. For small and medium-sized enterprises, the investment tax credit increases to 35%, up to the first \$2 million per year. The federal investment tax credit earned for SR&ED that is carried out in Ontario is exempt from Ontario tax. Then, I have a complementary measure here in the province of Ontario called the Ontario business and research institute tax credit, which is a 20% refundable tax credit for contract R&D that is undertaken at post-secondary institutions or research hospitals in Ontario. I also have the Ontario innovation tax credit, a 10% refundable innovation tax credit which is applied to firms that carry out R&D in Ontario.

Then if we get into specific areas of the new economy, particularly in regard to interactive digital media, the Ontario interactive digital media tax credit is a refundable tax credit based on eligible Ontario labour expenditures and eligible marketing and distribution expenses claimed by a qualifying corporation with respect to interactive digital media products. The Ontario interactive digital media tax credit is calculated as 25% of eligible Ontario labour expenditures and eligible marketing and distribution expenses incurred after March 25, 2008. As well, we have the Ontario research and development tax credit itself. For taxation years ending after 2008, Ontario corporations are able to claim a 4.5% non-refundable tax credit on qualifying R&D expenditures in Ontario. Today I was very proud to sit in the House beside my friend the Minister of Finance and talk about the new Ontario tax exemption for commercialization, which was introduced in the House today, and we hope, the House willing, that it will pass.

Ms. Laurie Scott: Well, Minister, I will read in again Roger Martin's comments saying that in Ontario we still

have one of the highest marginal tax burdens on business investment in the world. I know you've read a list of tax breaks. He's still commenting that Ontario still has one of the highest marginal tax burdens on business investment in the world. You can argue with Roger Martin or not, but that is a quote, that Ontario has the highest marginal effective tax on new business, not just in Canada but in the developed world. I don't know what's offsetting which. You say that what you've just listed is very appealing and—is it 10% above the US?—I put that out there for you.

Hon. John Wilkinson: Ms. Scott, to be clear, I'm the Minister of Research and Innovation, so the companies I deal with are the ones that are heavily involved in research and development. I would say that Dean Martin's comments—

Ms. Laurie Scott: Roger.

Hon. John Wilkinson: Roger, but he's the dean of the school of business there.

Ms. Laurie Scott: As in Dean, you're going to break into song.

Hon. John Wilkinson: He's a great guy, you see. He's actually from Wallenstein, I might add, which is just outside of my riding, so I know him quite well.

My focus as Minister of Research and Innovation is, what is the after-tax cost for those companies in regard to research and development? I believe that, just looking at the measures that I've read into the record, when it comes to that part of the economy to which I am most responsible, we have, if not the lowest, one of the lowest after-tax research costs in North America. I think the proof of the pudding about the wisdom of that is the fact that Ontario is, today, a global research powerhouse.

The question we have to deal with collectively is, how do we take this wonderful research and the benefits of that and translate them into our economy? What we've said through the Ontario innovation is that the appropriate role for government is to act as a catalyst, that we must focus, and that we must look in a global context, as the Ontario Research and Innovation Council told us to in my consultations with over 400 stakeholders across the province. Opportunities for us in the global context—the global challenges where we have the best opportunity to find just some of the global solutions, and therefore create companies where the global market and global capital are coming to our door—have to do with expanding the digital universe, conquering disease through the life sciences, and embracing technology to help us get to a sustainable economy and environment here in the province of Ontario, through the bio-economy in particular.

Ms. Laurie Scott: The Ontario innovation agenda focuses on significant investment areas where Ontario can be globally competitive. I'll go through them: clean technologies, advanced health technologies, digital media, creative industries and the bio-pharmaceutical industry. I just wondered, how was it determined that these are the areas where Ontario can be globally competitive? How did you come to that?

Hon. John Wilkinson: As I was saying at the beginning of the month, when we embarked on the need for us to focus on this and to create a strategy, we were able to do a number of things. The first thing we did was that the Premier was able to secure Dr. Glass from Ireland to come and bring a global perspective. Secondly, the Premier was able to convince a number of eminent Ontarians to be part of a blue ribbon think tank for him called the Ontario Research and Innovation Council, and they gave him advice. As well, he tasked me as his parliamentary assistant to do a cross-province consultation, right across the province, from Windsor to Ottawa to Thunder Bay. What we heard over and over again in the advice we had was that we need to always look at what is our unique value proposition in a global context? I would give as an example, Ms. Scott, that there are many countries in the world that are very heavily involved in ICT, information communication technology. We have companies that are powerhouses in that, like for example RIM, OpenText and Dalsa, just to name a few.

The advantage we have here in digital media is that we have this digital universe where we are getting the tools that people can access, for example, through the Internet and mobile technology. What the world is looking for is content, so we've created these tools, so the opportunity goes around, how can we take the tools and provide the content? Now, where is the unique Ontario advantage in that? We have these tremendously world-class universities. I give the University of Toronto as an example. The largest math faculty in the world is at the University of Waterloo. We have some tremendous infrastructure there. I have told people that I believe Ontario represents the greatest concentration of the diversity of humanity living in social cohesion, and so the competitive advantage in the digital universe is not only being able to create content, for example, in English and in a North American context, but to be able to replicate that in this global Internet, in multiple cultures and multiple languages.

1640

Ontario has inherently a competitive advantage in this space better than other countries which are much more monocultural. So what we've looked at is in ICT and within this burgeoning field of digital media, which is what I would argue is where the puck is going in the 21st century, what our competitive advantage is that allows us to drive through prosperity. It would be taking advantage of that, taking advantage of what we have. What Dr. Glass told us is, "You makes do with what you've got." What you have to understand is what are those natural attributes that you have, and we use that as an example.

Ms. Laurie Scott: So could you say how much of a percentage of the workforce is actually employed in, say, the high-tech or the—I guess you want to call it the digital media? How much of the Ontario workforce is employed?

Hon. John Wilkinson: Off the top of my head, I can't give you an exact percentage, but I'll endeavour to get that for you. I'd be more than happy to.

Ms. Laurie Scott: Okay, because there are some reports that say those sectors, the high-tech sectors broadly speaking, represent less than 2% of the jobs of Ontario. So I just—

Hon. John Wilkinson: Ms. Scott, before they invented the car, there were a lot of people in the horse industry—

Ms. Laurie Scott: I know you want to expand it, but—

Hon. John Wilkinson: —so we're looking at where the greatest growth potential is in the 21st century. Our job at the Ministry of Research and Innovation is not to look backwards. Our job on behalf of the government is to look forward, to have a voice at the cabinet table who is looking ahead. That's my function within cabinet. So what I would find is that we have looked to see what those strategic opportunities are that are unique to Ontario or where we are. As I've always said, people who come to see me either are or plan to be top three in the world, and then—

Ms. Laurie Scott: I believe that came from Roger Martin, the 2% of the jobs in Ontario. So when your blue-ribbon panel reported—and I've asked for reports from them specifically to be tabled. Do you have a projection as to what you'd like to see that grow to?

Hon. John Wilkinson: I could talk about the global market opportunity. For example, the size of the global digital media market was estimated to be just under US\$1 trillion in 2004. The market is expected to grow by 53% and to be \$1.5 trillion by 2009, next year. So when we look at the global opportunity, we're looking at those industries that have these phenomenal rates of growth. I've seen similar numbers in regard to clean technology, which is another area of focus that we have in regard to solar power, wind power, anaerobic digestion, biomass.

Then we look at the same very large growth potentials that we have in regard to life sciences. I would argue that for those among us who can treat, cure or, even better yet, prevent disease, there is a tremendous global market for that in the hundreds, if not trillions, of dollars. That's what we're focusing on.

The Chair (Mr. Tim Hudak): Just a quick question, Ms. Scott.

Ms. Laurie Scott: Again, to know the baseline. I see your helpfulness, and you've provided some global numbers, so I hope you're correct because the 2% figure in the high-tech sector jobs—that's what the States is too, right at the moment.

Did you have a baseline of how much money those industries contribute to the provincial GDP annually?

Hon. John Wilkinson: Sure. I can get those numbers for you.

Ms. Laurie Scott: Okay.

The Chair (Mr. Tim Hudak): I think, in the interest of time, we'll stop it there. There's just about 15 seconds left.

We'll go to Mr. Prue now. And, folks, remember he has 10 minutes of additional stacked time. So, Mr. Prue, you have 30 minutes in total.

Mr. Michael Prue: Okay. I'd like to go back where I was—a very interesting line of questioning by my colleague here, and interesting answers too.

I was asking about the \$55-million operating budget and asked for four or five examples. You gave me two. The first one was \$26 million innovation at the university for looking at genes and copies of genes, and the other was \$5 million for wireless technology and antenna systems. That's two. Can you give me some more? I'm just trying to figure out where this whole \$55 million goes. You've accounted for \$31 million, as far as I can—

Hon. John Wilkinson: Well, I actually can take a half-hour to answer that question, and I'll ask my—

Mr. Michael Prue: You might. That's the next part of my question. I'm going to ask for a whole list, but right now I just want to know the biggies.

Hon. John Wilkinson: They're also on my website.

Mr. Michael Prue: Okay.

Hon. John Wilkinson: What I would ask, perhaps, and I would say to my staff—for example, when I made that \$21-million announcement, which was just the third and fourth rounds of Ontario research infrastructure money for advanced health systems. I can get for you an example of the type of project that we just announced the other day. I believe in total, just on that one subset, there have been some 137 projects. I know my friend is helping me with that.

Basically though, Mr. Prue, the allocation that we have over the next five years is some \$650 million to the Ontario research fund. That includes the additional \$250 million that was allocated in the last budget. Since 2004, our government has funded 798 projects, matching CFI awards. That is the federal centre for—

Mr. George Ross: Canadian Foundation—

Hon. John Wilkinson: Yes, the Canadian Foundation for Innovation, which is through the Ontario research fund, for a total of \$300 million in investments. So we would have spent \$300 million since 2004 on just under 800 projects, all of which were matched by the federal government and the successful institution. That \$300 million is leveraged up substantially.

I was going to tell you, for example, about Dr. Mohini Sain at the University of Toronto, who if I remember correctly has also crossed to the University of Guelph and the University of New Brunswick. He is a leading researcher in the question of bioplastics and biocomposites in the automotive industry. He is heading an \$18-million research project, of which we contributed just under \$6 million, that aims to develop the use of renewable resources to produce automotive materials and parts.

The Ontario biocar initiative involves scientists at four Ontario universities and a long list of industry partners who will tackle everything from improving yields per acre for hemp, wheat, corn, soybeans and canola to developing improved processing technologies for fibre harvesting, treatment and separation. They will also develop biochemicals, bioplastics and biocomposites, and they will design auto parts that combine the advantages

of metals and biomaterials and predict the design performance of biomaterials in assembled automobiles.

Dr. Sain, when we made that announcement, said: "To be successful in research, you have to have a vision and you have to have partners who believe in the value of innovation and are prepared to invest in it. We've got that winning combination in Ontario."

So, since 2004, 798 projects—I would then ask you, Mr. Prue, what further detail I could provide for you on the 798. We could be here for a while if I go from one to 798.

Mr. Michael Prue: No, you don't have to do that; just give me the website where I can find them.

Mr. George Ross: We can follow up with the detailed lists of projects that have been funded, and the MRI website has some details on the Ontario research fund program, which is basically a research-granting program based on an excellence criterion. The decisions that are brought before the minister are the results of a peer review process.

Hon. John Wilkinson: Then the recommendation of the Ontario research fund advisory board, which is a blue-ribbon panel of both scientists and business leaders; it reviews all of those and gives me advice.

Mr. Michael Prue: Okay, but 798 projects have been approved. How many were submitted?

Hon. John Wilkinson: Well, that's a good question for Dr. Barr. They're not all successful, I can assure you. It is a tremendous infrastructure for us to be able to do that. We have countless volunteers from across most of Ontario, the country and the world who help us with that peer review process. As you know, one of the hallmarks of science is the peer review. We're very fortunate that we have so many people who are willing to spend time to give us their advice in regard to that peer review process.

I could endeavour to get a number of how many applied versus the 798 who were approved; I wouldn't have that off the top of my head.

Mr. Michael Prue: Okay, then let's go to the next question. Another major line item is the Ontario research and development challenge fund, with \$19.7 million in an operating budget. It's lower this year than other years; some years it's been as high as \$45 million, if my research is correct. Can you give me three or four examples of projects funded under this program in the last year?

Hon. John Wilkinson: Just for some context while my deputy works to your specific question, that plan, if I remember correctly, was created before the creation of the Ministry of Research and Innovation. As I mentioned, we collectively as a province for well over 25 years—all three parties have had the opportunity to govern Ontario—had made investments in both research excellence and research infrastructure.

1650

That challenge fund, if I remember correctly, was created by the previous government. There was an allocation that was made, and then that money is allocated over a number of years and the money is drawn as

required as a result of the demand. All of these programs have rounds. The round is clearly communicated to the research community as well as what the criteria and the areas of focus are for that round. Then the researchers, when successful, are not just given a lump sum; they have to apply for that money as they meet pre-approved milestones.

Our ability to fund that: We set the money aside, because that's the right thing to do from an accountability point of view, but the uptake of that money is sometimes dependent on the ability of our researchers to actually put the paperwork in. If they don't submit the paperwork, they don't get the money. Over time, that fund, which was a specific allocation by the previous government—we've been allocating those funds. That's why, for example, that line would decline over time, Mr. Prue, while other lines would increase. The overall budget of the ministry, of course, has consistently increased year after year.

If I can actually pull out an example of a successful application under that program—there may be a few people scrambling to get that for you, or we may have to get back to you.

Mr. George Ross: Mr. Prue, I can give you a little bit more on the ORDCF program. The Ontario research and development challenge fund program was a \$500-million program. It was established in 1997 and it was the precursor of the Ontario research fund. Currently, there are 29 active projects remaining out of a total of 114 original projects.

So as the minister says that it's winding down—there are still 29 projects that are active. That fund helped to fund research totalling approximately \$1.5 billion; it levered additional funding from additional sources. The information we have here is that it attracted 5,000 highly qualified personnel and spun off 44 companies out of the research activities. But that program, as the minister said, is in wind-down. We can provide some more detail and follow up with that, sir.

Hon. John Wilkinson: I just want to give a real-life example. Just last week, I was at the University of Western Ontario, where I was asked to give a keynote address at the opening of the Biotron. The Biotron is a world-class research institute that's been built on the campus of the University of Western Ontario. It is, if I remember correctly, a level 4 containment lab. What they can do there—they have what are referred to as biomes. There are six of them. I would say that this room would represent two of them. Within each and every biome—they're beside each other—you could have a totally different part of the world. You can have Antarctica in one biome, next door you can have the rainforest, next door you can have the Sahara Desert and next door you can have a Carolinian forest. It is world class.

I had the opportunity of sharing the stage with Dr. Gunnar Öquist, who is with the Royal Swedish Academy of Sciences. Dr. Öquist, I learned, has the wonderful job of actually calling the people who have won a Nobel Prize and telling them the good news. He was there because it truly is a world-class investment.

That investment of some \$11 million: The beginning of that investment or the agreement was made, if I remember correctly, by the previous government. It is many years later that the project that they applied for was successful, that they actually built the research institute. Money was only allocated in regard to the bills submitted, so that it was accountable and transparent. We're now at the point where that previous investment is becoming a reality.

The Ontario research fund, in regard to research excellence: Researchers at that institute at Western worked very closely with the University of Guelph, but also with a university in Korea and another international partner, if I recall. They would apply, for example, to the next round, if they wanted to, of the Ontario research fund on research excellence to build that research team that would be doing their research at the Biotron.

As I was saying in my earlier remarks, we have inherited—I believe all parties can be proud of this tremendous investment that we have made over the years in our research community. What we're doing through the Ministry of Research and Innovation is maintaining that and actually adding to that, but as well, focusing on how to ensure that the research excellence that comes up with unique intellectual property is commercialized to meet a global demand, whether it is conquering disease or dealing with climate change or expanding the digital universe, and doing it in this jurisdiction.

And I think it's fair for those of us who are stewards of the taxpayers' money to focus on ensuring that the benefit of the investments we have made attributes back to our economy. There are very few places around the world that have this down to a science, but it is absolutely crucial, in my opinion, and I believe in the opinion of the government, that if we're going to have a prosperous economy going forward in the 21st century in the knowledge economy, yes, we have to stimulate the creation of new knowledge, but we also have to stimulate the ability of it to translate into the economy. That's why our ministry is focused on both of those two things, and the Ontario innovation agenda is our strategic plan to make that happen.

But I would not want to diminish at all the investments that had been made by previous governments of all three stripes over, I would say, at least the last 25 years specifically, where we've taken this wonderful post-secondary education and wonderful health care system and actually embraced the need to do research. I think it's just evolutionary now for our government. And I would hope that we will find sufficient success that all future governments in the 21st century in this province would say we must have a ministry that's dedicated to research, and the translation of that research excellence into the economy through the process of innovation.

Mr. Michael Prue: That's a complex answer, and I appreciate that. But maybe a simple one: According to this, there is \$19.7 million left in the operating budget for this year, and there are 29 projects. When do you anticipate that these projects will be completed?

Hon. John Wilkinson: Each one of these projects—and I know we have a director in charge of that—when they are successful, enters into agreement with our ministry in regard to the milestones and the accountability measures that they must meet to receive the money. Obviously, we hold that money and do not pay it out unless those criteria are met.

One of the challenges we have is that for some of our researchers, doing the paperwork is probably not at the top of their list when they're busy trying to unlock the mysteries of the universe or trying to find a cure for cancer. But, again, we have to be very clear with them. Our ministry works with our research community, assists them in ensuring that the appropriate paperwork is submitted and that no funding is provided until that is submitted.

The projection on that particular tranche of money that was set aside in 1997 is the last project. We'll receive the last dollar in 2011. That is based on the feedback that we have from those researchers in regard to their ability to take up the money. They can't spend the money unless they submit the bills. So we don't give them block funding and say, "Get back to us after the fact," or, "Here's all the money up front." We say, "No, no: You have told us what this research is for, and you must meet milestones and criteria, and then you will receive the funding."

To be fair, I would say with all of those projects, it's relatively fluid, but it's just reflective of the reality of the cash flow as required.

Mr. Michael Prue: Are you adding to that cash flow? Was this new money this year or was this left over from other years, having been unspent?

Hon. John Wilkinson: I'm going to try to be as helpful as I can in explaining this. The previous government set aside a large block of money in one year to fund research that would happen over many years. They had a round. They invited applications through a peer-reviewed process; researchers and their teams were successful. They entered into an agreement with the government of Ontario and now, through our successor ministry, the Ministry of Research and Innovation, as to what the milestones and accountabilities are that they had to meet to receive the funding and what they are required to do to receive that funding. Then, it is a fluid situation that unfolds based on the researchers meeting their milestones, which is up to them to meet, and then it's up to us to provide the funding. That is a fluid situation, and we monitor that extremely closely and budget accordingly. But under our accounting rules we have to show of that fund of money how much has yet to be spent. Though we have a cash-flow projection on every one of those projects, over time, the number declines as the research that was proposed actually gets done.

1700

Mr. Michael Prue: I asked you for the complete list. Can you provide a complete list of the 29 still-outstanding projects?

Mr. George Ross: I believe we can provide that, so we'll follow up with that list.

Mr. Michael Prue: Terrific. How much—

The Chair (Mr. Tim Hudak): You're still doing pretty well. You've got just under 14 left.

Mr. Michael Prue: Oh, excellent.

The ministry budget sets aside \$90 million in operating expenses for the Ontario venture capital fund; we've already had some discussion on that. Can you tell me if this fund is up and running, how many investments it has made and in how many companies?

Hon. John Wilkinson: I would repeat what I was saying to Ms. Scott earlier in the day and in some of my opening comments. The Ontario venture capital fund is the result of our research that scoured the world for the best approach to how to stimulate venture capital. After the dotcom bubble burst at the beginning of the millennium, there has been a dearth of venture capital in Ontario, and a vibrant venture capital community is a prerequisite to having a vibrant commercialization within one's jurisdiction. When we don't have a vibrant venture capital community, we run the risk of having our best ideas migrating to those jurisdictions that have a vibrant venture capital community.

We created the venture capital fund and it was inspired, after our research around the world, by something called the Yozma fund from Israel. In simplest terms, how do we take these great pools of capital that we have, which are locked up in our banks, insurance companies and pension funds, and how do we stimulate them to make prudent investments in venture capital? Small parts of their portfolio go into venture capital. That money really was shut off after 2000. So when we looked at best practices, we realized that we could act as a catalyst. Acting as a limited partner, we said we put up \$90 million. We said to financial institutions—and we approached them—that we wanted them to at least match that one for one. We have exceeded that. Instead of having \$180 million, there's now \$205 million in that fund from six large institutional investors. If I recall them, the other limited partners are Royal Bank, TD Bank, Manulife Financial, OMERS, the Ontario municipal employees retirement system, Fonds de solidarité from Quebec—did I miss one, Deputy?

Mr. George Ross: BDC.

Hon. John Wilkinson: And BDC, the Business Development Bank of Canada. So federal money, Quebec money and Bay Street money all together.

As limited partners we then searched the world for a general partner. The unanimous agreement of the limited partners from this search was TD venture capital, which is a subsidiary of TD Bank. They were able to provide a fund manager who is Canadian but who found much success being a fund manager in Silicon Valley, so she's at the top of her game, I believe. We were able to convince her to return—her company was able to convince her to return—to run this fund.

It's a fund of funds, Mr. Prue. It doesn't invest in venture. What it does is invest in venture capital funds here in the province of Ontario—and even around the world, because we wanted to set a global standard. That's

very important. What we said to our partners is, "If you make money, we make money. If you lose money, we lose money." In other words, it's based on the principles of business, because we have learned from the Israelis that that is the key to ensuring that the decisions are made and that we focus on rewarding the best behaviour, finding the best opportunities.

So what we've done with the Ontario venture capital fund is that the general partner runs it, the limited partners set out the investment parameters, and the fund manager makes the investments. I can tell you that there is a possibility there may be other institutional investors who will come and invest themselves in the fund to create an even larger fund. We are open to having that fund actually cap out at \$270 million, which would be a 2-to-1 leverage of the taxpayers' money, and then the fund manager and the people at TD private equity are busy now making the decisions as to where that money will be invested. Our requirement, of course, is that they operate the fund out of the province of Ontario and that they take into account, obviously, the Ontario innovation agenda—those things that we have determined are great opportunities here in Ontario.

We looked at a number of models. Last weekend, or the weekend before, I invited other ministers of innovation across the country to actually come to Ontario. It was their first meeting. I think there was a meeting of science and technology ministers about five years ago, and there hadn't been one since. So we took the initiative, because what we were finding when we were talking to other provinces is that they were doing similar things in regard to venture capital, in Quebec and British Columbia, for example, and in Manitoba. We were able to share best practices, talk about what we're doing here in Ontario, but I also learned about what they're doing in other provinces. Collectively, we've called on the next federal government, whoever forms that government, to actually convene a federal-provincial-territorial meeting on innovation, because we are all convinced, all 10 provinces—and the Yukon Territory was also able to participate—that innovation, our ability to take our research excellence and convert that into jobs here in our jurisdiction and in Canada, is important.

The Conference Board of Canada gave Canada a D as a grade for innovation. Obviously, in the 21st century, that is not, in my opinion and in the opinion of my ministerial colleagues, acceptable, so we do have to work on that. So we were able to share the attributes of the Ontario venture capital fund with our other ministers from across Canada, but I was also able to learn what they're doing as well.

There is a need to have a vibrant venture capital market. There is also a need to have what are known as angel investors, and we've made an investment in the National Angel Organization. Angel investors are wealthy individuals who are very quiet but make investments in young start-up companies. So we've made an investment in the National Angel Organization to help them improve their ability to stimulate angel investment.

I would say that, particularly, we were inspired by what's happening in Waterloo and the Waterloo region. There are many successful people in Waterloo who have gone on to become angel investors. Now, they don't want a lot of publicity, I can tell you, Mr. Prue. We have to respect the fact that they do that because of a commitment to innovation and a commitment to their community. But a vibrant angel investment community is important, particularly this—what's known as the valley of death in regard to venture capital. So we need to get a lot more water in the pool and we are acting as a catalyst to be able to do that.

I would also like to commend RIM, which, after our announcement of our \$205-million fund, announced the \$150-million BlackBerry partners venture capital fund. It's available to companies that are writing applications for wireless devices, including the BlackBerry, obviously. So I think we've turned a corner on this issue of venture capital, but we see, as a government, and I think all governments from different political stripes right across Canada see, how it's important for us to strengthen that part of the capital market which provides available resources for a company that has a new idea and is in that very expensive process of commercialization to try to garner a global market.

Mr. Michael Prue: Has the Ontario venture capital fund had any downturn as a result of recent market trends?

Hon. John Wilkinson: I can tell you that our six partners have entered into binding agreements with the government of Ontario to provide their funding and, as far as I know, there hasn't been any change in that. Of course, the amount of money that they've pledged, in the broadest sense of how large those vast pools of money are, is not all that large. I do want to commend the Premier, because in this regard I believe it was his ability when he was the minister to actually reach out to these large pools of capital and say, "We've all talked about the fact that there's not enough venture capital in our community, here in the province of Ontario, but there is not enough venture capital to help us stimulate this next generation of jobs. Will you actually join with us? We're prepared to act as a catalyst; we're prepared to put up money. But it would require you to do so as well. Would you do that?" We're very proud of those companies that took up the challenge of the Premier, the former Minister of Research and Innovation, to do that. Of course, creating a structure that has never happened in North America before, we're very hopeful that we've gotten it right and that we are actually going to stimulate more venture capital investment here in Ontario.

1710

I was particularly happy with TD Capital and their commitment, as a firm, to help raise the literacy in regard to venture capital within the institutional investment community. We're very happy that they've made that commitment to our province, and we also hope that that, too, will actually stimulate the kind of activity we're looking for in that sector. But I wouldn't underestimate, Mr. Prue, how very important it is that we get this right.

For example, Gord Nixon, who as you know is the president and CEO of the Royal Bank of Canada, said, when we announced the fund and the agreement, our limited partnership in signing the deal: "Today's economic realities demand that Ontario lay a strong foundation for a new generation of corporate leaders that will help drive future economic growth. Initiatives such as the Ontario venture capital fund are levers for transforming ideas into tangible economic benefit and future prosperity for Ontario communities."

Further, Paul Renaud, who is the CEO of OMERS Capital Partners, the entity responsible for OMERS's private equity investment, said, "OMERS is pleased to be an integral part of this initiative and looks forward to enhancing the market for venture and growth capital investments in Ontario."

Jacques Simoneau, who is the executive vice-president of investments at the Business Development Bank of Canada, said: "BDC is pleased to be part of an innovative, new direction for Ontario's venture capital market. This fund-of-funds will help technology firms access the venture funding they need to commercialize their innovations and reach their potential. Our participation in this fund, which will be managed by TD Capital, is testimony of the confidence we have in Ontario's potential."

Finally, Bill Eeuwes, who is the vice-president and head of Manulife's merchant banking arm, said, "We are supporting this VC fund because we think it's the right initiative at a time when the supply of venture capital in Ontario is less than optimal and investment returns have been rising."

Those companies, those great pools of capital, see the opportunity based on the strength we have as a globally competitive research powerhouse. Again, as I've said, the role of government as a catalyst is how we translate that research powerhouse we collectively have invested in over all these years into the jobs of the 21st century. That, of course, is the focus of the ministry, and vibrant venture capital is important to that—just one component, but very important.

The Chair (Mr. Tim Hudak): That will conclude the time. There is one minute left, if you want, for a quick question.

Mr. Michael Prue: No, I think I'll pass rather than start a new one.

The Chair (Mr. Tim Hudak): Okay. That concludes the time for the third party. We now go to the government members for a 20-minute round, beginning with Mr. Delaney.

Mr. Bob Delaney: Minister, it's good to see you back. I'm sure you will remember very well that at our last estimates session, we were speaking about Ontario's pharmaceutical strength, which is something near and dear to my heart in an area of northwest Mississauga known tongue-in-cheek as Pill Hill.

Our city of Mississauga particularly and, of course, Ontario in general have always enjoyed a very distinguished history of biopharmaceutical innovation, and this

is perhaps a very good time to speak about it. We in Ontario are home to a thriving biopharm economy. It's one that I know from first-hand experience has traditionally attracted researchers, investors and scientists from all over the world, and we're always glad to welcome them in Mississauga. Our government, of course, has long affirmed its commitment to delivering an integrated innovation strategy and especially to supporting researchers in their drive to succeed and to ensure that the innovative ideas that stem from their work and their laboratories become reality.

One of our most recent success stories, I don't have to remind you, is the International Cancer Genome Consortium, which is one of the largest global research efforts yet. It's going to share work with the Ontario Institute for Cancer Research, which will collect and share research data with scientists from around the world—so sort of follow the dots, I guess. Ontario's role in coordinating this important work is a reflection of the world-class expertise that our province and our research clusters possess, and of course our ability to push the boundaries of knowledge and to develop new technology and new therapies.

Many companies have already discovered that Ontario offers a very cost-competitive, as you were discussing earlier, growth environment in the biotechnology sector. And I think this robust economy and a strong and dynamic life sciences sector are attracting businesses and investors who see the value in supporting the work of our leading-edge researchers and scientists. Certainly we saw evidence of that last week in the meet-and-greet event at AstraZeneca, which they anticipated would attract 70 or 80 people, and 150 showed up. It was quite the affair.

In every field—cancer research, stem cells, diabetes, cardiovascular disease and more—we find Ontario leading the way because we can attract world-class researchers, key investors and innovative companies. What we're all doing is turning research into reality.

Many biopharmaceutical firms currently invest I think about \$550 million annually in research here in Ontario. I know we're actively partnering with industry to grow that investment even further.

Through our recently announced Ontario innovation agenda, our province has provided a blueprint for strategic government investments so that we can act as a catalyst for innovation and commercialization, and of course we plan to seize these global opportunities, as you've described to Mr. Prue, based on proven business practices and our work with the investment community. I think this is one of the ways that we're making Ontario the number one place in the world to invest in the bio-economy.

This week is National Biotechnology Week, and there are a whole host of events taking place all across Ontario: I have several pages of them with some of the details. Perhaps you'd like to take a little while to talk about not merely the importance of national biotech week and the pharmaceutical industry, but perhaps what we're doing here in Ontario to strengthen the atmosphere for inno-

vative businesses through our tax exemptions and credits for scientific research; some of things that we do in experimental development and the commercialization of intellectual property. Would you care to expand on that for a little bit?

Hon. John Wilkinson: I would, Mr. Delaney. Thank you for the question, and happy National Biotechnology Week.

And now for the answer: I would start off by saying that as someone who, when he came to this place, knew very little about biotechnology, it has been uplifting for me personally, and I would commend this to all of our members—our ability to transform life itself. That is really at the heart of unlocking the human genome and unlocking stem cells and it is at the heart of innovative pharmaceutical therapies.

Interjection.

Hon. John Wilkinson: Yes, the other members are having an earlier day than us, but we're all glad to be here, I'm sure.

So I'll try to be as illuminating as possible. What I wanted to talk about in regard to this is, if we were in a context where we said, "You know what? The puck globally is really going to biotechnology. You know what we should do? Let's build, within a few square miles, a cluster of nine academic hospitals and three universities. Why don't we, out in Mississauga, try to attract a dozen or so pharmaceutical companies? Why don't we make sure we're making great investments in Ottawa, Kingston, London and Hamilton? Really, we need to get into that game," we would be so far behind that it wouldn't even be worth doing. The reason we're focusing on this is that, because of the investments that have been made, both by government but particularly by business, over the last 25 years, we actually are one of the leading biomedical research communities in North America, and I would also say a leading one in the world.

When I went to the BIO conference in San Diego, I did not hang my head in shame that somehow we were not on the global stage. It's the reason Minister Papatello, the Premier and I were able to go down there. We were actually able to be very proud of the investments we have made and, as I've said, that we've all collectively made all of these years in this great province of ours.

1720

The question here is, how do we capitalize on that? The first thing we have to do, and we look at the five-point economic plan, is to form strategic partnerships. In other words, are we open to having a partnership with the biopharmaceutical industry in Ontario? Are we going to say, "Well, we've made this tremendous investment but we're not going to take the next step to help drive through to further economic prosperity"? Or are we willing to sit down? Our ability to actually have a good, frank working relationship with the biopharmaceutical industry and the revolution that's happening in life sciences, I am convinced, will transform our world in the 21st century.

We're the jurisdiction that actually discovered stem cells. I think everybody knows that we discovered

insulin, but we actually discovered stem cells. Also, Dr. Janet Rossant, for example, and her work at Sick Kids on induced pluripotent stem cells; in other words, taking a cell and turning it into a stem cell and then turning that stem cell into whatever cell we need to repair a spinal cord or to grow a new heart valve or to unlock cancer stem cells and figure out a way to actually destroy cancer stem cells instead of destroying all the other cells. We have this kind of broad-based approach when we're trying to get rid of cancer. I think of the work that Dr. John Bell is doing here in this province, leading-edge work.

But the question at our ministry always comes back: So if we discover it here, are we going to make it here? We discovered insulin. Do we make it in this province? No. So what are we doing? If we just make these discoveries here, what tools do we need as government, what incentive, what vision do we have to have to inspire business to ensure that those investments we've made attribute back to our taxpayers who, over the course of the last 25 years, have made massive investments in our academic hospitals and in our post-secondary institutions? I remember Dr. Janet Rossant, the head of research at Toronto Sick Kids, who is truly a globally significant researcher in her own right, said that very often those investments that begin in Ontario don't stay in Ontario, and we do not develop the full value of these investments in terms of jobs and the economy.

The kinds of incentives we've heard about today, and we're talking about moving forward with the biopharmaceutical investment plan, are going to play an important role in attracting and retaining the investments in the biopharmaceutical industry in Ontario. What we recognized at the ministry is that there was a tool that we did not have, that did not allow us to be competitive, that actually set up a situation where our top researchers were coming up with these really globally significant breakthroughs and that we weren't a jurisdiction that was open to that. Dr. Rossant, in her own right, is a leading researcher, but she has the vision to understand that no matter what she invents in her lab at Sick Kids, if it doesn't actually translate to the patient at the bedside, then what value is it? We've made those investments because we expect those research breakthroughs to translate to the bedside. Surely it should be to the bedside of our patients at Sick Kids first.

The biopharmaceutical investment fund is an example of that. I was talking to Dr. Freda Miller, who's a senior scientist at Toronto's Sick Kids, and she's quoted as saying, "The government's investment program is good news for everyone involved in the research community in Ontario. We look forward to new R&D partnerships between research hospitals like Sick Kids and pharmaceutical companies that will bring benefits in the form of new therapies and services for our patients."

I had an opportunity over the last two years now to meet with global pharmaceutical companies. They are in the business of looking for breakthroughs. They have been quite frank with me that despite the fact that they

have thousands of researchers around the world, they do not within themselves possess the research infrastructure that is in this province. The research infrastructure that we have collectively invested in for some 25 years is an asset that I believe has been underutilized in regard to the commercialization of that. It is important that we have plans in force and a strategy that says we want it to be inevitable that those breakthroughs are commercialized here first and not in another jurisdiction. The biopharmaceutical is just one tool that we have. You'll recall that there are many other jurisdictions in the world, many of them in this area of research, all of them who have those tools, so it is a global competition. But the thing that gets you in the game is the breakthrough—no researchers, no breakthrough; no breakthrough, no possibility, even, of being able to translate that into the economy. That's why at our ministry we have to do two things: We have to continue to put money in the pipeline, invest in our researchers, invest in that infrastructure, and then at the other end say to them and challenge them to translate that into our economy. I don't think anybody, until the Premier created this ministry, actually asked them that. The amazing thing is that when we actually asked them that on behalf of the taxpayers, on behalf of the citizens of Ontario, they said, "You guys have been investing in us for decades now. Sure, we'd love to help you. We love our province; we love our country just as much as anybody else. We'd be more than happy to try to be in a position where we're open to this." They were frustrated that they saw some of their best inventions and their research be commercialized in places like Boston and San Diego and how important that is. So when we challenged them—and that was a question mark when we put out that challenge. I didn't know what they were going to say. But they have responded, I would say, Mr. Delaney, magnificently to that challenge.

The Chair (Mr. Tim Hudak): You have about seven minutes left. Mr. McNeely?

Mr. Phil McNeely: Minister, I was pleased when you came down to Ottawa to launch the Ontario innovation agenda. It's a roadmap to ensure the province has a winning economy in the 21st century. The agenda calls for better use of our existing strengths. It identifies key opportunities for Ontario and outlines the kind of environment Ontario must create to drive innovation. We can all see Ontario's innovation agenda at work in Kanata, in part of Ottawa. We have Plasco, where the Ministry of Research and Innovation invested \$4 million to build an innovation demonstration facility aimed at turning waste into energy. Also, in Cornwall you have the Verdant Power facility, where the government invested \$2.2 million to build an innovation demonstration facility aimed at generating electricity in a new way.

We all know that the economy is being challenged by high oil prices and the strengthening dollar and, of course, the chaos that is occurring now in the US. We have a plan to help families and businesses through this, and our plan is the right plan for the times. Starting this summer, we've got a long-term training program for

workers who have been laid off. It's called "second career," and it allows recently laid off workers to get skills training for six months to two years so they can get the skills they need for their next career. That's part of our plan for the economy. We've also provided targeted tax cuts to help businesses make investments in their future, building infrastructure and partnering with forward-looking business to create the jobs of the new economy.

We will get through these challenges by working together and we'll keep strengthening the things families depend on which were mentioned by our Premier today—our schools, our hospitals, our environment—because they give us a great quality of life and give us an economic advantage over our competition. We have a five-point economic plan to face these economic challenges.

First we're cutting business taxes, as you've already mentioned, the capital tax that business told us to cut first. Second, we're making the largest investment ever in Ontario's infrastructure, and that's part of the ministry I'm with: \$60 billion over 10 years. Our government recently announced an additional \$1.1 billion this summer for municipalities. Ottawa got \$77 million out of that. We're investing in skills training. We're partnering with businesses in key sectors in order to secure high-paying jobs and ignite growth in industries that will shape our future. Fifth, the government is investing in innovation. Our government recognizes that we can create Ontario's next generation of jobs by developing and inventing local solutions to global challenges.

Minister, can you outline the innovation agenda and the role it will play in Ontario's future economy?

Hon. John Wilkinson: Thanks, Mr. McNeely. Chair, I have how many minutes?

The Chair (Mr. Tim Hudak): You do have just under four minutes, Minister.

1730

Hon. John Wilkinson: Great. Thank you, Chair.

First of all, I do want to commend the city of Ottawa and the region. I made a personal commitment as minister that I would try to be in Ottawa at least once a month because Ottawa is one of those high-tech centres that we have in this province and there's great potential there. You referenced Plasco. This innovation demonstration fund that we have—this company just secured their first commercial contract with Red Deer, Alberta. In Ontario, we are selling green technology to the province of Alberta—so I think that's a great example of where the future is—a technology that reduces greenhouse gas emissions and uses plasma arc technology not to burn or incinerate or gasify waste but actually to ionize it, to reduce the waste itself to its elemental components. As a result, it fuels a gas turbine engine that generates electricity and it does that without polluting our natural environment. So it's interesting that already a community, not just in Ontario but in Alberta, has decided to buy that technology.

That technology needed to be demonstrated, and that technology was demonstrated here in Ontario. The

possibilities now for that company, one of the companies that we're proud of and that we have made an investment in by way of a loan through the innovation demonstration fund: It has great potential in the 21st century. If there's anybody who thinks the 21st century isn't going to happen, I don't think they should be in government. We have to look at those opportunities. Clean energy and renewable technology are a good one.

You mentioned Verdant in Cornwall and the ability for us to gather hydroelectric power from rivers. Over the years we've built these dams to back up kinetic energy, but instead, in Cornwall, the demonstration site at Verdant Power out of Burlington, has underwater turbines; they look like windmills. As I was just saying, the sun doesn't always shine and the wind doesn't always blow but the river always flows. There is a steady, constant stream in the St. Lawrence, a very powerful river. Through this demonstration project, they'll be putting three of these turbines right in the St. Lawrence. They turn slowly enough that they don't affect fish, the aquatic life, but it's a constant source of power. One of the things we need in the province of Ontario is renewable power that is baseload, that we can count on. The St. Lawrence is always going to flow, we can count on that, just like we can count on the water going over the Niagara Falls. So Verdant Power is another example.

Another good example in the Ottawa Valley as well is Menova, this new solar concentrator technology, and their first contract—they sold to Wal-Mart because Wal-Mart, as a global company, has decided to go green. And what are they doing? They're building a new superstore in Markham and they're using Ottawa technology. They're using a company called Woodbine Tool and Die, a company that made auto parts. They see their auto parts book dropping and they're replacing their auto tech jobs with green tech jobs.

I really think this is going to be the future of our economy here in Ontario, that we take our tremendous manufacturing capacity and put it to those new areas of endeavour which are so important to us and where there is a global market. There truly is a global market, as we know, literally in the trillions of dollars in regard to solar technology, in regard to wind and to biomass, and now an innovative way to gather clean electricity from our rivers without the environmental issues of having to dam a river, which is what we've done in the past. There are tremendous opportunities for us to perfect that technology here, and if we do it here in Ontario first, and we invest in those companies and we make it as a condition that what we're looking for is the commercialization of activity right here in Ontario, we think that's going to create the green jobs that our kids and our grandchildren are counting on. We have to be forward thinking and make that a reality.

The Chair (Mr. Tim Hudak): I'm going to have to interrupt you at that point in time. That does conclude the 20 minutes for the government members. To the official opposition, 20 minutes.

Ms. Laurie Scott: Thank you very much, Mr. Chair, for the opportunity again.

Maybe I'll follow up on that. A few weeks ago we were asking how many applications you've received in—I was wondering; you just finished that topic about renewable energy. I know that my colleague from the NDP has asked questions about who the applicants are, how it's going. For example, the last time we had you before us in the committee, the strategic opportunities program wasn't fully set up yet. Has there been any more progress in that being set up?

Hon. John Wilkinson: I would disagree, Ms. Scott. The strategic opportunities program as part of the Next Generation of Jobs Fund is fully set up and it is receiving applications for industry-led consortia, which is the focus of that component of the Next Generation of Jobs Fund. What we're not in a position to do is to announce to the public a successful completion of that. The commitment we made, of course, is that when a company or a consortium applies, we will actually make a decision in a set period of time, the 45-day window. But from our ability to actually give an answer, there still could be some period of negotiation between a company or a consortium and the government of Ontario, because we make what we consider to be an offer in the best interests of the taxpayers. Then, when all of the agreements are reached, it becomes public.

I give you the example of the innovation demonstration fund I was just referencing. There are 11 projects that are public. We have received, though, to date 73 formal proposals in for that fund, the innovation demonstration fund, which is focused on clean technology. The innovation demonstration fund is particularly focused. To date, the program has announced a commitment of 10 projects—not 11; sorry—for a total IDF funding amount of some \$19.5 million, and that has been leveraged up to a total investment from our private sector of some \$77 million in what we would consider to be a high-value investment in the province of Ontario, with great potential. Some of those companies have already moved along to the point where they're realizing that potential—as I was saying, Plasco signing a contract with Red Deer, Alberta, as an example, that it is a commercially viable business and that there is truly a market for that innovation that they've come up with.

The criteria: The innovation demonstration fund supports innovative emerging technologies that are shown to be among the most competitive and advanced in North America. There is a technology focus on bioproducts, environmental and alternative energy technologies. We expect a high impact, that supporting the project will lead to a high positive environmental impact—and the projects that I've already discussed of the 10 are good examples of that—and a high likelihood of commercial success or dominance in the market, a global opportunity that can be seized by this new Ontario company. The project must be at the pilot plan or demonstration phase and it has to first prove to us what we refer to as a demonstrated proof of concept, but still enough technical risk that impedes most private financing. In other words, we know it works, and the question is a pilot plan allows

the company to actually scale that up. When you do that, you encounter problems that you have when you take any technology and try to scale it up, so that's what raises the risk. What we're doing as a government is making a co-investment in that. Our belief in a project has actually helped them secure other private sector funding at a very high ratio, and then our expectation, of course, is that that commercialization will happen in Ontario.

The IDF: We have a strenuous review process which relies on evaluations from staff at seven different ministries, external technical experts and external financial due diligence. So that is a program now where we have already 10 companies out the door from a total of 73 applications. That program, I would say, as the minister, has been very successful, probably more successful than we initially thought, which is a good thing. I'd rather have the problem of dealing with success than with failure, and that is a program where I think we have demonstrable success.

Ms. Laurie Scott: Is a part of the qualifying criteria there for job creation? So job creation is part of those criteria.

Hon. John Wilkinson: Yes. There has to be a global market opportunity, Ms. Scott.

Ms. Laurie Scott: Yes, but some of the programs weren't requiring that a number of jobs be created—in this program, and I'm asking specifically.

Hon. John Wilkinson: Under the Next Generation of Jobs Fund, which is different, there is a criterion that I said about jobs retained and/or created.

Ms. Laurie Scott: Okay, so on this one, the number of jobs created is one of the criteria you look at before approval?

Hon. John Wilkinson: Well, because it's a demonstration plan, by nature there have to be jobs created. It's a brand new company that's going to build a brand new plant, so therefore there are jobs created. It isn't a question of retaining jobs, because it's a brand new company. It's not like a major company that's looking for investment to retool, to retain.

1740

Ms. Laurie Scott: So if you say a pilot project, and 10 have been approved—for some of the others you can't tell me details, but did they not have as many jobs that were going to be created? Do you look at that as a gauge?

Hon. John Wilkinson: Well, 73 is the number of applications that we've received. We made that available through our ministry's website. A lot of times you'll have a company where they have a good idea but there are flaws in their business plan. What we try to do—and our director of commercialization, Bill Mantel, and his shop at the ministry—is work with those companies, because a lot of times you need a lot of things to go your way to be successful in business with a new idea. You've got to have a business plan that works. You have to have adequate financing. You have to make sure that you've secured your intellectual property. You can't build a company on a new idea that you haven't patented, or you

run the risk of actually having a company with no worth if you haven't been able to secure your intellectual property. We help those companies that come to us. We work with them—our ministry is very active with them—if we believe that they actually have a novel technology with a demonstrated global market possibility.

Beyond helping them, when we move forward on the creation of the demonstration plan, there's quite a bit of work that we've been able to do with those companies to get them to the position where they have the greatest opportunity for success. Obviously, as a government, we're invested in their success. Not all companies or all demonstrations are going to be successful. We understand that; it's the nature of innovation. But we try to be as proactive as possible to ensure the strongest of business cases and the strongest of financing from other private sector partners are there, intellectual property has been secured, that there truly is a global market opportunity. Many of these technologies are what are referred to as disruptive technologies; in other words, success actually changes the game for others. That program is one that we're particularly proud of because we see these companies, who have jumped through these very strenuous hoops that we have, are turning themselves into very strong companies that are actually seizing a global market opportunity. Really, in Ontario that's what, in our opinion, we have to seek: that global opportunity. If you create a solution to a global problem, just even a slice of it, the global market will beat a path to your door; global capital will come here.

Ms. Laurie Scott: That's why we're here asking questions about your ministry. It's just accountability. That's what maybe you can't answer. So you've had 10 approvals. I'm just looking for measurement tools. Job creation is one of them. We wish these companies the best, certainly, in the future, and that more jobs are created. But of those 10 approvals, could you say there have been 100 jobs, maybe, that have been created with them? I don't know if you're measuring that. That's just one degree of measurement.

Hon. John Wilkinson: Let me just ask my deputy.

Mr. George Ross: For the innovation demonstration fund, job creation is not a specific criterion. When we're looking at the technical merit of the project and the market potential for that activity, if it's successfully demonstrated, obviously the viability of the company—its growth potential and job creation—is part of that overall assessment, but it isn't a specific entry criterion for the program.

Hon. John Wilkinson: I would give an example of 6N Silicon, which I believe is in Ms. Mangat's riding, which is a company that was successful in the innovation demonstration fund, and their very novel way of creating ultra-thin silica wafers that are used in solar cells and in semiconductors. That company was successful in receiving money under the Next Generation of Jobs Fund, where I believe they are creating some 85 jobs. That is an example of a company which has an innovative idea.

Seeing the potential, we were able to be a partner, help to strengthen their business plan and put them in a position where it was easier for them to attract private investment, which is the majority of the money that goes into that demonstration plan. They, in turn, have been so successful that they are actually seizing a global market opportunity. The Ministry of Research and Innovation, working hand in glove with the Ministry of Economic Development, is about stimulating those companies in the green economy sector, where we think there is great potential because of the global market and because of our strength as a manufacturing powerhouse.

Ms. Laurie Scott: Maybe our strength that we're losing is a manufacturing powerhouse, in the sense of manufacturing job losses that have occurred in Ontario.

Anyway, I want to ask you about the Ontario venture capital fund. That's a difference program, correct?

Hon. John Wilkinson: Yes.

Ms. Laurie Scott: Okay, so that's the limited partnership between the Ontario government and the institutional investors, invests in Ontario-focused venture capital and growth funds. There are a lot of programs, so I just put that on the record. Can you tell me how many start-ups have received funding through that program?

Hon. John Wilkinson: Ms. Scott, as I said earlier, the Ontario venture capital fund is a fund of funds, so the investments made by the Ontario venture capital fund go into other venture capital funds. What we're doing is putting more water in the pool, and we're making sure that that money helps the venture capital industry here in Ontario have the resources that I believe the market was starving it of. We've used this as a catalyst to incent more money available in the venture capital sector. That money is going to those venture capital funds that have good track records. In other words, they've been able to prove to our fund manager that they know what they're doing. Those funds themselves are making the investments in the start-up.

Ms. Laurie Scott: In the program you just mentioned?

Hon. John Wilkinson: That's right.

Ms. Laurie Scott: So they're flowing funds to—

Hon. John Wilkinson: Because the Ontario venture capital fund is a fund of funds.

Ms. Laurie Scott: —the IDF?

Hon. John Wilkinson: The funds that we invest in make the investments in the companies.

Ms. Laurie Scott: That's the IDF, the one you just—

Hon. John Wilkinson: No, that's a separate program.

Ms. Laurie Scott: That's separate. So give me an example of one of those that has been successful, an application that's been successful. Is there anything you can draw to?

Hon. John Wilkinson: Well, there's not an application basis under the fund.

Ms. Laurie Scott: It's a fund of funds, right.

Hon. John Wilkinson: The fund manager, which is in this case TD Capital, makes the decisions on behalf of all

the other limited partners, as the general partner of the fund, about the investments that will be made by that fund. It is up to TD Capital, who is being paid to do that job, to make those decisions. They were the unanimous choice of the partners: the government of Ontario, Royal Bank of Canada, TD Bank, Manulife, Business Development Bank, Fonds solidaires and OMERS. Obviously, the six partners have faith in the fund manager that we have chosen.

Ms. Laurie Scott: So, I'm trying to measure this. Can you say how much in funds have been disbursed to start-up companies? How do you measure that, then?

Hon. John Wilkinson: Well, venture capital funds—

Ms. Laurie Scott: How do you measure funds being applied for and being used?

Hon. John Wilkinson: It's going to be measured by the rate of return. That's the metric for all funds.

Ms. Laurie Scott: So just the rate of return of money?

Hon. John Wilkinson: Rate of return. When you make a fund investment, that's the metric that you follow.

Ms. Laurie Scott: But they're funding to different programs, right?

Hon. John Wilkinson: The venture capital fund is separate, and there is no direct link with the innovation demonstration fund or the Ontario research fund.

Ms. Laurie Scott: They're just a pool of money?

Hon. John Wilkinson: That's right: a pool of money joined by pools of money from our large institutional investors—

Ms. Laurie Scott: That would be hard to track.

Hon. John Wilkinson: —and more money available in Ontario for venture capital investing through the existing funds. Those funds that have been successful in the marketplace will attract, in my opinion, the investments of our fund manager. They wouldn't be inclined to be putting their money into funds that have underperformed. Those are the funds they'll be seeking out to invest in.

I do have, and my deputy was quite helpful, the Ontario commercialization network. I was telling you before about our projects. For example, we have our commercialization network, those people we have on the ground who are helping to commercialize innovation. There have been more than 80 companies established as a result of the Ontario commercialization network. There are over 700 new projects or products that those companies have created. They have assisted in excess of 750 companies or clients at the Ontario commercialization network. They've assisted more than 45 clients in securing more than \$20 million worth of private sector funding, and they've leveraged more than \$60 million in total funding because, as you'll recall, there are programs available through the federal government, particularly IRAP, through Industry Canada.

Again, that Ontario commercialization network is probably more an example of feet on the ground, of the people that we have who work for our ministry through

these networks and who are dealing with entrepreneurs and researchers and helping to bring them together. As I said, generally a researcher and an entrepreneur are not the same person. There are some exceptions, but generally what we're trying to do is act as a catalyst to try to bring those people together. You can have a great idea, but you also need a good marketing plan and a good financial plan and a good intellectual property plan to secure your intellectual property in the global context. Our Ontario commercialization network helps our researchers and entrepreneurs.

Ms. Laurie Scott: All right, that can lead me into the Path to the 2020 Prosperity Agenda report, which I will hold up for you and which came out in November 2007. It's a government-funded Institute for Competitiveness and Prosperity. It says that Ontario must build stronger management capabilities to drive greater innovation. I'm going to read just a few things out of it, because you're saying that all of these sectors need to connect: entrepreneurs, business and researchers. It says:

"Our managers have lower educational attainment overall in business education specifically than their US counterparts.

"CEOs of our largest corporations tend less to have formal business education at the graduate level than CEOs of large US companies;

"Canada's successful innovative firms report that having less access to management talent is a key restraint."

So, public policy is saying that they haven't found the right balance between management skills and research science and engineering. What kinds of investments is the government making to promote management education in Ontario? There's obviously a gap that's been identified here.

Hon. John Wilkinson: Right. Ms. Scott, I would say that we're a ministry that is a collaborator within government. As we all know, because we've all been in government, all three parties, government tends to be quite siloed, in the vertical sense. Innovation requires horizontal integration, so what we try to do within government is to be a force of innovation within government itself. We work very closely with the Ministry of Training, Colleges and Universities. It's no surprise to me that our business schools would say that we need to have more business school graduates. I think what they've been able to identify is that there is a new type of manager that's required in the 21st century. There is a new type of business manager that is required. I've not only talked to the business schools, I've also talked to the institute of chartered accountants, for example, about what we can do to actually add specialization designations to our professions who deal in areas of intellectual property. The true value of that company is based on intellectual property—that you have an idea, that you own that idea and that you've secured that through a patent.

I had a chance to chat with some other leaders of global companies here in Ontario. They were saying that that is also an area where in the global sense we need to make additional investments. Within government I work hard, as the Minister of Research and Innovation, to advocate for those investments in those parts of our ecosystem where we are still lacking.

As I said, we have the research powerhouse at our fingertips. The question is, are we making sure that we have the appropriate tools to transform that research innovation, those new ideas, into our local economy? I take the advice of the institute, and what we're trying to do as a ministry is also to encourage our sister ministries that all have part of that. We have to work very closely and very collaboratively with the Ministry of Training, Colleges and Universities, with the Ministry of Health and Long-Term Care, with the Ministry of Agriculture, Food and Rural Affairs, the Ministry of Natural Resources, the Ministry of Northern Development, as well as the Ministry of Economic Development and the Ministry of International Trade and Investment. This is innovation and transforming your economy based on innovation. It's a team sport. It's not one of these ministry silos that unto itself can make a difference. We work very hard within government, based on the criteria and leadership that the first minister, the Premier, had about how what we didn't need to do is create yet another silo within government and say, "Okay, well, you guys are in charge of the future," but to create a ministry that has in its inception the idea of what we can do to break down those barriers across ministries to help foster that innovation. If it requires us to make phone calls and reach out to people within government and within stakeholders, if we can work collaboratively, I'm fortunate to have colleagues around the cabinet table who understand, as we do, how very important this is to our future economic prosperity.

The Chair (Mr. Tim Hudak): Minister, I'm going to have to end this segment at this point in time. That was the 20 minutes. Ms. Scott, your time is up.

I think in the interests of time—there are only about six minutes remaining—I'll put off Mr. Prue's time until our next meeting. That way, we can have the full 30-minute block. This is the last 10-minute additional segment.

This gives us about two hours and 20 minutes for the next session, which is tomorrow. We have two hours of time blocked, so I'd ask committee members to think about how we could save 20 minutes of time so we don't have to bring the minister and his staff back the following week.

We are adjourned for this evening, reconvening tomorrow at 4 p.m., here in committee room 151. Thank you. Have a good evening.

The committee adjourned at 1753 p.m.

CONTENTS

Tuesday 23 September 2008

Ministry of Research and Innovation.....	E-309
Hon. John Wilkinson, minister	
Mr. George Ross, deputy minister	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr. Tim Hudak (Niagara West–Glanbrook / Niagara-Ouest–Glanbrook PC)

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Mr. John O'Toole (Durham PC)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

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Mr. Michael Prue (Beaches–East York ND)

Ms. Laurie Scott (Haliburton–Kawartha Lakes–Brock PC)

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Standing Committee on Estimates

Ministry of Research
and Innovation

Comité permanent des budgets des dépenses

Ministère de la Recherche
et de l'Innovation

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STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 24 September 2008

Mercredi 24 septembre 2008

The committee met at 1601 in room 151.

MINISTRY OF RESEARCH
AND INNOVATION

The Vice-Chair (Mr. Garfield Dunlop): We'll call the meeting to order. Minister Wilkinson, welcome this afternoon. We have a total of two hours and 20 minutes remaining in the estimates for the Ministry of Research and Innovation. I know that our Chair would have liked to have seen this possibly completed today so we wouldn't bring somebody back for 20 minutes. I'm curious—I've had a request from the parliamentary assistant for unanimous consent for all parties to drop seven minutes from their comments today. Is that in agreement?

Mr. Michael Prue: If I could, Mr. Chair: I don't know that you're privy to what happened, but our time was stood down and condensed. So I have 30 minutes left. I'm willing to drop seven minutes from the 20-minute rotation that follows. If that's what's being requested, I'm willing to do that—

The Vice-Chair (Mr. Garfield Dunlop): Yes, just overall today to drop seven minutes at some point from each member.

Mr. Michael Prue: Because what I understand will happen, I am next on the rotation for 30 minutes, and then it would go 20, 20, 20. I am willing to drop seven minutes from my last 20 minutes.

The Vice-Chair (Mr. Garfield Dunlop): Would you be willing, Mr. Hillier? So then we are in agreement with that, and yes, in fact you do start because you stacked your time. You have 30 minutes remaining. You have 30 minutes in this next rotation and it's actually your turn as soon as I tell you to go ahead.

Mr. Michael Prue: Yes.

The Vice-Chair (Mr. Garfield Dunlop): Are we okay with that, everyone? Okay. So we will get out of here around 6 o'clock then and that will be the end of the estimates for research and innovation.

Mr. Lou Rinaldi: If Mr. Prue wants to give up more time, we'd love to get out of here before 6.

The Vice-Chair (Mr. Garfield Dunlop): You're welcome to give up more time as well, you understand? Maybe he'll give you a wink of the eye and you'll be able to do that, Mr. Rinaldi.

With that, Mr. Prue, it's in your ballpark for the next 30 minutes.

Mr. Michael Prue: Thank you very much. I'm hoping within the 30 minutes that I can complete and won't need my last 13, but of course it depends on the brevity of the answers.

Hon. John Wilkinson: I'll try to be brief, Mr. Prue.

Mr. Michael Prue: All right, so the pressure is on. Just a couple of housekeepings from yesterday: I asked for a complete list of projects funded over the past three years from the Ontario research and development challenge fund and the same complete list of projects funded over the past three years from the Ontario research fund. Has the ministry staff had an opportunity to prepare that list in the last 24 hours?

Hon. John Wilkinson: I'd refer that to my deputy.

Mr. George Ross: We're in the process of just completing that list. It's partially complete, Mr. Prue, but we'll follow up with that after today, if that's okay.

Mr. Michael Prue: All right That sounds fine. On to my next question, then.

The ministry has set aside \$20 million for something called the social venture capital fund. What is the purpose of this fund? How is it different from other funds? The social part—what is intended here?

Hon. John Wilkinson: That's a very good question, Mr. Prue. It was a campaign pledge of our party. You'll recall that there's a very successful model—I would say a world-leading model in England—that has been adopted; I believe it was under the Blair government. The idea is, you can take the principles behind venture capital and social objectives and marry those two in an innovative way to get better social outcomes than the traditional method we're using right now. So what we did is, we have funded social innovation generation at MaRS, and I'll just give you some background.

We proposed the creation of the social venture capital fund in our 2008 budget. The objective of the fund is to find innovative solutions to difficult social problems and improve social outcomes by providing emerging innovative social ventures with the funding necessary to grow to a stage where they can attract private investments or develop private sector partnerships and operate in a sustainable manner. Developing new successful strategies for investing in social ventures and measuring social returns in order to help increase the level of institutional, private and corporate investment in Ontario-focused innovative social ventures is a key objective.

I'll just outline briefly the structural elements. There would be an investment eligibility criteria and an investment strategy for the fund, which will be determined through a business plan to be developed over the next several months by MaRS in collaboration with our ministry, as well as the Ministry of Community and Social Services and the Ministry of Finance.

My ministry was allocated some \$20 million from the Ministry of Finance for this purpose. I'm trying to see if I can give you a concrete example. I think all of us as members understand that there are companies that have both a profit motive and a social motive, and I'm thinking of—

Mr. Michael Prue: Bill Gates?

Hon. John Wilkinson: No, not philanthropy. A company, for example, where people donate their used clothing which is in good shape and then that, in turn, is sold to people and that company itself generates a profit, which is reinvested in maintaining that business. So they've found a sustainable private sector way to achieve a social benefit. The question is, if there was a fund that was available that those innovative groups could tap into, could we actually expand the depth of that type of thinking? What we found is that business leaders are actually quite intrigued and interested. I know they've found some success in the United Kingdom. In 2006, the United Kingdom government created an Office of the Third Sector as part of the cabinet office. Their government has also contributed a matching £20-million private investment in Bridges Community Ventures, a community investment fund that invests in deprived parts of the United Kingdom. The second phase of Bridges, launched in 2007, was made up entirely of private sector investment.

1610

I can also say that in Toronto—oh, we can actually give you an example. St. Jacob's bakery in your riding, in the Beaches—are you familiar with that?

Mr. Michael Prue: St. Jacob's—

Hon. John Wilkinson: I understand that it's called St. Jacob's bakery. It helps by taking people who are on the street. It trains them in the art of bakery and it pays their cost. It makes a profit and it's reinvested back in that social enterprise.

The idea is that there are a number of innovative ways throughout Ontario. This money—

Mr. Michael Prue: I'm not even aware of a church named St. Jacob's or anything named St. Jacob's.

Hon. John Wilkinson: Well, I'm happy that my staff was able to provide that.

Mr. Michael Prue: Perhaps if your staff could tell me where it's located in my riding.

Hon. John Wilkinson: The reference is to the Beaches. I know that's your riding, but it's a broad area. Perhaps you and I could go together.

Mr. Michael Prue: Perhaps.

Hon. John Wilkinson: I don't want to presume what the fund will invest in, but there is this growing part of the economy where people are using a business model to

achieve a social objective. The social venture capital fund is about acting as a catalyst, as I was saying before, to spur on that type of investment.

The key structural features of our fund would be an evergreen structure, which means the returns generated are automatically returned to the investment pool, with the aim of keeping a continuous supply of capital available for future investments. So we have \$20 million that goes out the door; it generates a return, if we're successful, and that money comes back into the pool and can be reinvested in other social enterprises to help them get up and running. The ones that are successful will pay back the fund and earn the fund a rate of return, and that money would then be put back out. So we're hoping that this \$20 million would be a seed investment that would be of an evergreen nature.

What we're going to do is target a combination in the investment strategy—because you have to have a diversified portfolio—of social enterprises, which are organizations with primarily social goals that use business to achieve those goals, as well as some socially responsible businesses which operate in a more socially conscious manner than mainstream business. Investments will not be targeted towards achievement of market rates of return from mainstream business. In other words, it won't compete against business itself.

The good folks at MaRS have been contracted by us to manage the fund and make those investment decisions. At the moment, we are negotiating the business plan with MaRS and we're hoping to have a launch of that new social venture fund by the end of this year, 2008. We'll be delighted to keep the House posted on our progress.

Mr. Michael Prue: I thank you. If your capable staff could let me know where St. Jacob's is, I'd like to visit them.

Hon. John Wilkinson: Well, I would like to know as well. The two of us will go find that together.

Mr. Michael Prue: Okay, perhaps we will.

Hon. John Wilkinson: I'm looking forward to it.

Mr. Michael Prue: All right. The next question I have is: Since 2005, an organization called the Ontario Research and Innovation Council has advised the ministry and the Premier on a long-term strategy on research and innovation. Can you give me an example of the kinds of reports, policies, briefs and advice the council has produced, how many documents—it's news to me, because I don't think I've heard of it before.

Hon. John Wilkinson: When I had the chance to be questioned by Ms. Scott on the first day of our hearings, we had quite a discussion on that. We talked about the Ontario Research and Innovation Council. I can recap that for you.

Mr. Michael Prue: A condensed version, because I can read the Hansard for the rest.

Hon. John Wilkinson: It was a blue-ribbon panel. We'll recall that in 2005, the Premier under his leadership created the Ministry of Research and Innovation. He did three things to get advice: First, we were able to secure Dr. Alastair Glass from Ireland to be the initial

deputy minister; second, he convened the Ontario Research and Innovation Council to give him advice. It was made up of some amazing Ontarians, both scientists and business leaders: as I mentioned, Dominic Alessandro, who is the head of Manulife; Mike Lazaridis from RIM; Tak Mak from Princess Margaret; John Mann from Chrysler; Elspeth Murray from Queen's; Gilles Patry, who at the time was the president of the University of Ottawa; Doug Barber from Gennum Corp.; Janet Rossant, the head of research at Sick Kids; Molly Shoichet, a researcher from Toronto Western; Mamdouh Shoukri, at the time, was vice-president of research at Mac, and is now the president of York; Ilse Treurnicht, who we all know runs MaRS; and Tom Vair, who is the executive director of the Sault Ste. Marie Innovation Centre.

That blue-ribbon think tank provided advice to the Premier about ensuring that we had focus. As well, he asked me, as his parliamentary assistant, to do a consultation across the province, and I met with some 400 people. All of that advice went together to create the Ontario innovation agenda, which was launched at the University of Ottawa and at the Economic Club here in Toronto last spring. That is the strategic plan that we have at our ministry, and that's what we're working on.

The advice that we got is realized through the Ontario innovation agenda, and it's about the need for us to see the appropriate role of government, which we believe is to act as a catalyst. It is to ensure that we have research excellence, based on scientific excellence, but that it is appropriate for us to ask that that research excellence be translated into our own jurisdiction. As I've mentioned before, we have three areas of focus in the province of Ontario: conquering disease, learning how to live sustainably within our environment and expanding the digital universe. There is a business case for all of those areas of focus. As well, we believe that what we need to do is celebrate and tell our story because that helps us attract the world-class researchers who are here.

This morning, I was at Massey College meeting the winner of this year's Friesen award, Dr. Harold Varmus, who's the head of Sloan-Kettering. Last year, of course, it was Dr. John Evans who was successful. Again, that's part of an outreach that we're doing to make sure that the top scientists around the world understand what's going on here in Ontario and how important it is for us to celebrate those people, both in science and business, who are committed to this province, and who every day are being lured away by other jurisdictions to move their research shop some place else. So we thought that it was very important that we celebrate that.

That was the Ontario innovation agenda. So the Ontario Research and Innovation Council's task was to provide advice to the Premier in his capacity as the minister, and their work is done. It's found throughout the Ontario innovation agenda, which, of course, is available on the website of our ministry.

Mr. Michael Prue: Okay, so their work is done, the reports are finished and they're all available on the website. Nothing more is to come?

Hon. John Wilkinson: Not from the Ontario Research and Innovation Council. They had a very clear mandate from the Premier; they provided that advice and we've moved forward to what I would refer to as the implementation stage.

Mr. Michael Prue: All right. The next question—we're moving right along here. Can you describe the purpose of the innovation demonstration fund—this is something new. Can you tell us what projects it has funded?

Hon. John Wilkinson: That also is a good question. We were having some discussions about that as well over the last two days. The innovation demonstration fund—

Mr. Michael Prue: It was before my arrival.

Hon. John Wilkinson: Yes, that's right.

The innovation demonstration fund is a separate program at the Ministry of Research and Innovation. It's a four-year program that was allocated \$30 million. It's administered by my ministry and it focuses on the commercialization, at the initial demonstration or pilot stage, of globally competitive innovative technologies, processes and/or products. Preference is given to bio-based environmental and alternative energy technologies.

I can tell you that we are prepared to provide up to 50% of eligible project costs, to a maximum of \$4 million per project. There are 10 projects that have been successful. We've entered into an agreement and we've made public announcements.

The first is Plasco Energy Group in Ottawa, which was turning waste into clean energy using plasma arc technology that was first invented at the National Research Council.

Mr. Michael Prue: That's okay. I'm very familiar with it.

Hon. John Wilkinson: And actually, Plasco—we were quite happy. Plasco actually landed a contract with—

Mr. Michael Prue: Alberta

Hon. John Wilkinson: —Red Deer, Alberta. So an Ontario green technology company is selling green technology to a municipality in Alberta. I can, if you like, talk about the other nine projects.

Mr. Michael Prue: Go ahead, but briefly—just as fast as that one.

1620

Hon. John Wilkinson: Sure. Woodbridge Group: They make bio-based foam as an application in the automotive industry. We've invested \$1 million to support the research and commercialization of soy-based polyoil in polyurethane automotive products.

There is GreenCore Composites; their product is called Green Inside. We've invested \$400,000 in GreenCore Composites to set up a demonstration plant in Mississauga for the production of its Green Inside material, a high-performance, natural-fibre-reinforced composite.

There's Sterling innovative products, which makes brushless electric motors. We've invested \$1.85 million for the development of inexpensive robust computer-

controlled electric motors for use in equipment such as lawn mowers and snow blowers.

Mr. Michael Prue: That's brushless?

Hon. John Wilkinson: Yes, brushless. I've actually used it, Mr. Prue. I can tell you that a lawn mower, pound for pound, emits about 90 times more pollution than a car. Cars nowadays have all of these catalytic converters and emissions controls. Lawn mowers don't have that. People want the power of a gas-powered lawn mower, and someone who always uses an electric lawn mower hates the cord. What they've been able to do is figure out, using brushless technology, how to have a lawn mower with the power of a gas mower without needing a cord, because it's battery-operated and the battery is charged by solar energy. That company is in Guelph, and our investment is actually allowing them to move in to the snow blower market as well. So we were very proud—not to do their work as a business, but to actually help them in the key phase where they're trying to create a demonstration product.

As you know, taking a technology and then scaling it up to a mass production is quite risky. There are a lot of bugs that you've got to get out of the system when you're taking a technology and scaling it up, particularly a new, innovative technology. That's what the fund is geared towards.

Verdant Power: We've invested some \$2.2 million in their \$4.5-million green energy project, using innovative water turbines to generate renewable power from the current of the St. Lawrence River. Verdant is in Burlington; the test site is in Cornwall beside the St. Lawrence River. As I was telling people, the sun doesn't always shine, the wind doesn't always blow, but the river always flows. These are underwater turbines that have a constant, steady stream of power, the kinetic energy, that they convert from the water into electricity, and they're right beside the grid in Cornwall.

There's Menova Energy. We're supporting them with a contribution of some \$3 million towards the demonstration of a concentrated solar thermal and solar electric generation system. Their product is called the Power-Spar. Menova comes from Ottawa. They're using a company called Woodbine Tool and Die north of Toronto, which was losing some of their contracts from the automotive industry; instead, they've picked up this new order book from Menova in green technology. Instead of a regular solar panel, it does two things. Using mirrors that track the sun, it concentrates both the light and the heat, so you get two things out of it: You get the solar thermal power as well as the photovoltaic. They're installing their first Power-Spar as a demonstration at Wal-Mart's new superstore in Markham. They're selling their first demonstration product to Wal-Mart, which as a company has decided to go green.

As well, we've invested just over \$1 million at 3M in London to help develop a line of engineered films that can be applied to automotive trim parts to replicate the appearance and paint of metallic finishes. For example, on cars we have things that look like chrome. Chrome is

expensive, there are quite a few environmental challenges and if you ding it up, you have to get a new chrome piece. At 3M—the same people who came out with the Post-it pad—they figured out a way to actually have a film that looks just like chrome, and it's low-cost and low-weight. Again, in the auto industry, what they're looking for is how to dramatically reduce the weight of a vehicle, because that improves its fuel efficiency.

In Stemergy, which is in Delaware, just outside of London, we've invested some \$3.3 million in a pilot plant which is a bio-refinery using plant fibre—flax, hemp and other fibre crops—to generate new composite materials. That goes to the fact that in Europe, for example, a lot of the noise-deadening interior parts inside of a car are made out of hemp. In the United States, you can't grow hemp; it's illegal. In Canada, you can. The car industry is looking for new bio-materials not based on fossilized carbon, but based on renewable carbon—for example, hemp—and this new bio-refinery is producing the feedstock for the bio-materials that the auto industry in Ontario is looking for.

There's a great company called KuX, and they have their Azeo-Sep project. We've invested just over \$1 million. The company is in the Oakville-Burlington area, and we're helping them because they use advanced membranes that purify 30,000 litres of potentially spent hazardous chemicals per day, so that they can be recycled. They use hydrophilic and hydrophobic properties of these special membranes that they've developed. The scientists there all used to work for the NRC in Ottawa. Basically, what they're able to do is—you have, in industry, a lot of contaminated water that's filled with chemicals. Right now, that generally is incinerated. That's where that goes, or it's land-filled. These guys have figured out how to separate the water from the chemicals, so that you can recycle the water and the chemicals. Those are tremendous advantages to the environment and a tremendous advantage to the company. And they've been able to do that at scale; they are able to purify some 30,000 litres of contaminated water a day in this new system. They're building this demonstration plant in the Burlington-Oakville area, and we're making an investment there.

Also, there's 6N Silicon, a company that has also now received funding under our Next Generation of Jobs Fund. We've contributed some \$1.5 million towards their pilot-scale solar production. They have figured out a new way of creating very thin silica wafers. In solar cells, the thinner the silica wafer, the better the power conversion. They have an interesting process. My understanding is that, today, there's a very labour-intensive way of getting those silica wafers. Generally, they're made in the Third World. You have a block of silica, and people cut the silica, trying to get nice, thin wafers of silica.

These guys here in Ontario are very innovative. It's almost like the fondue method. What they do is, they melt the silica, and they take a very fine wire and pass the wire up through. The silica drops down and, of course, it's very thin, and it cools into a very thin layer of silica.

If there are any flaws, they throw it back in. So there's energy that goes in to make this process, but there's no waste. And so they've found that they have a tremendous cost advantage and a very high-quality product.

That's a company that, 24 months ago, was an idea in somebody's head, and they're already building their new plant I think in Mrs. Mangat's riding, if I remember correctly. Yes? She's very proud of that—and I think they're going to be hiring 85 people and meeting a global demand.

I want to stand corrected, Mr. Prue. Maybe this will ring—do you know of St. John's Bakery in the Beach?

Mr. Michael Prue: I know where St. John's is, yes.

Hon. John Wilkinson: Okay, well, it's—

Mr. Michael Prue: Not St. Jacob's.

Hon. John Wilkinson: Not St. Jacob's.

Mr. Michael Prue: Thank God—

Hon. John Wilkinson: But now that they have changed that—so you and I will be going to St. John's Bakery, if I remember correctly. It's a date, then. But that is just an example, as I was saying, under innovative social ventures.

So those are the companies—as I was telling Ms. Scott yesterday, I think we've received the applications of some 73 or 78. Ten are now public knowledge because we've entered into binding agreements with those companies and have announced those, and we look forward to making announcements in the future.

The information about how to apply is on our ministry website.

Mr. Michael Prue: Terrific. And St. John's is on Kingston Road. How much time do I have, Mr. Chair?

The Vice-Chair (Mr. Garfield Dunlop): Six minutes and seven seconds.

Mr. Michael Prue: Six minutes? That should be enough for me to ask what I think may be my last question, unless some others are engendered.

The Ontario Centres of Excellence receive approximately \$34 million a year in operating expenses. How many centres are there and can you give me a list of them?

1630

Hon. John Wilkinson: Sure. The history of the Ontario Centres of Excellence goes back to the mid-1980s. Their function is to bridge the gap between industry and academia, so that industry can say, "These are the problems we have," and allow academia to rise to those challenges, to try to solve them. They are, in a sense, virtual centres of excellence. So I wouldn't think of it as a cluster in a particular location. What they have is centres of excellence around six areas of focus. I know that we're going to get those areas of focus for you right now, if you'll just give me a moment. Here they are. I knew three of them off the top of my head, but I better make sure that I've got—actually, there are five centres and then we actually gave them a special task back in 2006. There's a centre for energy, a centre for communications and information technology, a centre for earth and environmental

technologies, a centre for materials and manufacturing and a centre for photonics.

Mr. Michael Prue: For which?

Hon. John Wilkinson: For photonics.

Mr. Michael Prue: Photonics, okay.

Interjection.

Hon. John Wilkinson: That's right. The enabling technology using fibre optic cable to transmit information.

Mr. Michael Prue: So you've given me the five. You said there was a sixth one—

Hon. John Wilkinson: Yes. As well, we gave them a special task. Two years ago, we allocated \$15 million, if I remember correctly, and we asked them to fund projects in regard to renewable energy. They had a special round of competition for that; I remember going to the University of Waterloo for that announcement.

Mr. Michael Prue: They received \$34 million. Can you tell me how much is apportioned to each of the centres?

Hon. John Wilkinson: Pardon me?

Mr. Michael Prue: My understanding is that there was a total spent of approximately \$34 million a year. Can you give me an indication of how this is apportioned throughout the six of them?

Hon. John Wilkinson: The Ontario Centres of Excellence have, for many years, been at arm's length from the government of Ontario. They were created, as I said, many years ago. There's a five-year funding agreement. When I first became minister at the end of October, November, that agreement was up for renewal; I extended it for one year. I've said this publicly, that the Ministry of Research and Innovation is an evolutionary step of all of the investment we've made collectively, all three parties and three different governments going back to about the mid-1980s, but the ministry now being a stand-alone ministry, I felt that we had a series of commercialization efforts under way that we inherited, that migrated to the ministry.

Ontario Centres of Excellence is one of our major investments, as is MaRS, but I have a network of commercialization activities right across the province, based both on sectors and regions. For example, we have something called ELORIN in Kingston, the Eastern Lake Ontario Research and Innovation Network. They provide a place for academic and business leaders to come together and work together on projects. Through ELORIN, we provide a suite of services to help on that in regard to sourcing venture capital, securing intellectual property, writing business plans and marketing plans, for example.

I have 12 regional innovation networks across the province. So when I looked at that, as the minister, I felt that it was important that we review the whole range of different programs that we are providing across the province of Ontario through OCE, MaRS and my regional and sectoral innovation networks. I was able to get a blue ribbon steering panel made up of experts from both Ontario and internationally. I've set them a task of ensuring that we don't have duplication, that we don't

have areas that we should be working towards that are missing.

The Vice-Chair (Mr. Garfield Dunlop): You have a minute, Minister, to clean this up.

Hon. John Wilkinson: I've also made sure that in all of these different programs that we'd have a consistent standard in regard to transparency and accountability of the taxpayers' money. That review is happening right now and I hope to have a report back before the end of this year. That will inform me to make sure, as I look at renewing the existing contracts that I have with the various agencies that deliver part of the front-line work of the ministry, that we're consistent, transparent and accountable and that we're getting the most effective use of the taxpayers' money.

Mr. Michael Prue: Thank you very much.

The Vice-Chair (Mr. Garfield Dunlop): That just about cleans up your time too, so thank you, Minister, and thank you, third party. We'll now go over to the government, Mrs. Mangat.

Mrs. Amrit Mangat: Minister, we have been listening intently to what you have had to say about Ontario's vision for the future. You have told us about the innovation agenda. You have told us about programs such as the Ontario research fund, the Next Generation of Jobs Fund and the innovation demonstration fund.

I'm particularly interested in the innovation demonstration fund, which is building on Ontario's strength in the cleantech sector. Of course, looking at cleantech, it is easy to see why we would focus on this sector. One of the residents of my riding brought up the issue of Corporate Knights; that's the Canadian magazine for responsible businesses. I was reading an article in the cleantech issue, which looked at the next 10 emerging cleantech leaders of tomorrow; more than half of these companies are Ontario-based.

I'm pleased to share with committee members that one of the companies you were speaking about a couple of minutes before is in my riding. That's 6N Silicon. That company uses metallurgical technology for purifying silicon and then they produce solar cells from that. That magazine has predicted that the size of the solar global market by 2012 would be \$27.5 billion, which is huge.

The magazine also stated, "Greentech could be the largest economic opportunity of the 21st century."

Our government understands that cleantech is more than just green energy and recycling. It spans across the economy. Our government, in investments through programs like the innovation demonstration fund, is placing Ontario at the forefront of these industries. Could you outline some of the immediate effects of the Ministry of Research and Innovation's investment?

Hon. John Wilkinson: Sure, Mrs. Mangat, I'd be delighted to. I would agree with you that the market opportunity here is huge. If you look at the Ontario innovation agenda, it's called Seizing Global Opportunities. Because we were able to get advice from global experts who came in and looked at our jurisdiction from a global perspective—perhaps not the kind of more myopic view

that we have, being in this province, but actually people coming from away—we learned a couple of things. One, we are a research powerhouse. We are a magnet for world-class talent. What we are not good enough at yet is the ability to take ideas that are created and invented here by our top researchers and translate them into the economy. We need to make that much easier to do, and those jurisdictions like ours which have the benefit of a high dollar and see the opportunity that climate change presents—we all know what the challenge is, but we actually see the opportunity that presents. I'm particularly interested in noting that in the States both of the major parties' candidates are talking about how they need to embrace the green economy.

As I say to the kids in grade 5—and we all visit grade 5 in our role as MPPs because they study government—we're the only species on this planet that doesn't know how to live sustainably within our own natural environment. Every other species on the planet has got that down cold except us. So that is the great challenge of the 21st century: How do we wean ourselves from fossilized carbon and use renewable sources of energy, whether it's hydro, solar or wind or renewable carbon? All the carbon that's above ground, not the stuff that's down a couple of thousand feet that we've been pulling out of the earth for some 150 years—that is, I might add, already sequestered. It's one of the issues that people think, if we use that stuff, that we're going to have to figure out how to resequester it, how to put it back into Mother Nature where it won't affect our environment.

What we're trying to do—and I think 6N Silicon is a good example of that. As a catalyst, government needs to be aware of what those opportunities are, that we don't interfere with business, that we don't interfere with science, that we don't allow political science to interfere with science. We understand the power of the market, but our role in government, we feel, is to act as a catalyst to allow these people that normally don't interact to interact. What we'll find when we're dealing with a company like 6N Silicon—a start-up company—is what the suite of services are that we can provide to help them move that business forward.

1640

What we look for as a government and what we need to look for as taxpayers is: Do these companies have groundbreaking technological innovation and a global market potential? Because that's how we're going to grow globally competitive companies in the future. It won't be because we're the lowest-cost jurisdiction. It will be because we will have a product that the world wants to buy because we're meeting a global need. Obviously, renewable energy, as the economists have been telling us, is one of those areas. That's why it's one of our areas of focus.

When you look at solar technology—there are two, I would say, holy grails in solar technology, particularly renewables. One is, how do you improve the photovoltaic conversion rate? In other words, how do you get more power out of the sunlight? A solar cell, no matter how

good it is, has the same amount of sunlight hitting it. The question is, how much juice, how much electricity can you get out of that? That requires technological innovation. It requires, for example, an even thinner and more perfect layer of silica wafer, which is what 6N is doing. It's part of that solution about how to improve the efficiency.

The other limiting factor in all renewable energy that is intermittent, like wind and solar, is the battery: How do you store that energy? The great debate now is between battery technology and hydrogen. I can tell you that our government is investing in both technologies, because there is not a clear signal from the market yet as to which one is the better solution. So we're doing much in that.

I was mentioning the other day—this was the Premier's Innovation Award—a company that is using nano materials with ceramics to create new batteries that would be environmentally sustainable. Ceramics, by themselves, are not damaging to the environment, but I can tell you that a lead battery that leaks is—so a ceramic battery that doesn't heat and that holds a charge. Sankar Gupta is a good example of an Ontario researcher who's at the cutting edge of that.

As well, I had a chance to go to the University of Toronto and meet with Dr. Ted Sargent, a cutting-edge researcher at the University of Toronto, who is using, as I was saying to Ms. Scott, something called quantum dots of silica. Silica is ubiquitous. It is inexpensive. But quantum dots, at the billionth of an inch, actually convert not just sunlight to electricity, which is visible light, but also the parts of the light spectrum that we do not see, both the infrared and the ultraviolet. So if you have a solar cell that is picking up all of the possible energy, not just the energy from visible light but from either side of that spectrum, that is going to be a more powerful solar cell. And instead of having rigid solar panels, you could actually embed this nanotechnology in your clothes and put it on paint. You'd be able to generate a solar charge, an electrical charge. That would be an example of what we consider to be a game-changing technology.

The reason we have the Ministry of Research and Innovation is that by seeing the cutting-edge research, it allows us to take limited resources and apply them in areas where we feel that there has been a true breakthrough made here in Ontario. As I said, the job of the ministry is not to create jobs in Indonesia or Germany, it is to help create jobs here in Ontario.

All of these things are good examples of how we have to deal with today's reality. We need to improve the processes around renewable energy. I talked about Verdant Power and their innovative way of getting power from rivers, like the St. Lawrence or the Ottawa River or the Niagara River—powerful rivers with a steady stream. As well, we have our ability to be able to see beyond today and to see those things which are actually groundbreaking technological innovations, and ensuring that we get there first.

Ontario's success story is RIM, and RIM was a technological breakthrough. It was the ability to figure

out how to have email in a handheld device, all of the time. Prior to that, it wasn't possible. That technological innovation has transformed wireless communication in the 21st century. That was a Canadian, an Ontario innovation, coming out of the University of Waterloo. So we need to be able to see that, to see those opportunities, and Ontario innovation as seizing global opportunities; that is actually the name of the document.

Mrs. Amrit Mangat: Can you share with us some other success stories falling under the innovation demonstration fund?

Hon. John Wilkinson: I was actually highlighting for Mr. Prue the 10 that are now public. For me, I think that as we look to how to transform Ontario's manufacturing powerhouse, there are a couple of things that we need to do, and these projects are around that. One is we need to come up with new materials that are stronger and lighter, and, instead of damaging the environment, that are actually created sustainably within our environment. That's what bio-based materials can do for us.

I think of the example of Menova—an innovation from a company in Ottawa which now has people hired in Vaughan—to make this new Power-Spar solar thermal and solar photovoltaic combined unit, which will be demonstrated by Wal-Mart. There is a large market when it comes to these large department stores, and it's important for them to figure out how to be powered by renewable energy. So we think that there's a tremendous opportunity there.

Now, it's business; there's no guarantee that these things are going to win. You have to make the best choices that you can. But what we look at is innovative technology, where the intellectual property has been secured and where there's a global market. People can't, I think, debate with me whether or not Wal-Mart is a global market opportunity; it is. It is a global company. But that doesn't mean that there aren't other companies that would be if this is demonstrated to be powerful. And where's that going to be built? It's going to be built by the people who got in on the ground floor, and that's Woodbine Tool and Die. Looking at a diminishing order book for auto tech parts, they were able to see the opportunity of creating green tech parts for the renewable energy market.

I think those are probably, for me, the examples of how we're sowing seeds and they're starting to sprout. What we need to do is nurture them and help seed our economy with the type of manufacturing jobs that are going to be required in the 21st century.

Mrs. Amrit Mangat: Thank you, Minister.

The Vice-Chair (Mr. Garfield Dunlop): You folks have about seven minutes and 40 seconds left. Next question, Mr. Craitor.

Mr. Kim Craitor: I do have a question of the minister. Before I start, I'm extremely pleased to have the opportunity to ask this question. I want to share that with you, because it's very personal to me. I think it's not a secret that I was affected by cancer and I went through the process and had the treatments. It was actually very

enlightening to me because, as much as I've always supported all the different cancer fundraisers, whether it's the Terry Fox or the bike rides and all those things, even I often wondered how far we've come with solutions, with better ways of treating cancer. It always crossed my mind.

So having gone through the process—I remember sitting there and talking with the doctors and the radiologists and the different people, and they were sharing with me how at one time, the cure was worse than the cancer itself: cobalt treatment. They were telling me that, at that time, it seemed like the right thing to treat people with, and they shared with me how far they had come. In fact, I remember the doctor even telling me, "Nine years ago, your form of cancer—we would not even have known that it was a form of cancer." That's how far we've come forward.

The reason I really wanted to ask this question of you—and I just wanted to give you some background as to why I thought it was so significant. The Ontario Institute for Cancer Research—and we know it's an independent, not-for-profit organization—really is, now I can honestly say it, making a huge difference in the lives of Ontarians and people around the world through its focus on prevention, early detection, diagnosis and the treatment of cancer. The institute is leveraging the research excellence at the universities, research hospitals and health research institutes across Ontario, leading to greater integration of cancer research efforts across institutions. This funding provides opportunities for internationally renowned scientists to come to McMaster and continue their work, as well as opportunities for undergraduate, graduate and post-doctorate students to become more groundbreaking researchers of tomorrow.

What I'd like you to do, Minister, and I feel that it is important for the people of Ontario to hear this from you, is outline the steps our government is taking to make sure this fundamental part of Ontario's fight against cancer can continue to do its important work.

1650

Hon. John Wilkinson: Well, thanks, Mr. Craiton, and I know all of us around the House are very happy to have you here because at one time we were all worried about whether or not you'd be able to come back. Your own personal story about dealing with cancer has inspired us all.

I can say that the Ontario Institute for Cancer Research was the result of cancer researchers in the province saying, "This is a big problem. It's bigger than just us, but we have to make sure that we're not duplicating our efforts. We need to be able to coordinate, and we need to have one body that allows us to coordinate our efforts so that we can be even more effective, so that we can get to the solutions quicker." What we did as a government when we created the Ontario Institute for Cancer Research is allocate, over five years, some \$347 million. Many of us know that cancer researchers are always dependent on these funds. They can be on the verge of a breakthrough, and then their funding runs out. So the first thing we did was actually make that commitment.

That bold commitment allowed us to get one of the top researchers in the world Dr. Tom Hudson, who came from Montreal but had made a scientific reputation as, really, the number three guy at the Human Genome Project in Boston. We were very fortunate to have him, and he himself has acted as a magnet to attract other talent. But the most important thing is, as he said, "We've got to deal with this problem—the four things. We have to look at treatment, we have to look at cures, we have to look at detection, and we have to look at prevention. We have to look at all of those things." Based on science—not on political science—he's been able to mobilize this tremendous wealth of top-notch research capacity we have in Ontario towards this common goal in an organized fashion that allows us to be more effective. It was his leadership that allowed Ontario, though the only sub-national government involved, to be the secretariat, the world headquarters of the International Cancer Genome Consortium.

Mr. Craiton, what I would say is that we know there's a genetic component to cancer, and we know about oncogenes. We know about the fact that perhaps there are even cancer stem cells, stem cells that have been somehow corrupted and that is the seed of cancer. When you were dealing with your cancer—you can irradiate it, you can cut it out, you can undergo surgery and chemotherapy, and it always seems to come back and it's because of, they believe, these errant stem cells that create cancer. Some of the groundbreaking work is being done right here in Ontario, so they're coming up with strategies. We have to understand the genetics of this.

Now there is this largest genetic research project in the history of mankind, the Ontario cancer—the human genome consortium of countries from around the world. Each country or sub-national group is taking one tumour and is unlocking the mysteries of the genetics of that tumour. If you have a pancreas tumour—what is the difference between a pancreas cell that has cancer and one that doesn't? If you can unlock what that difference is, then you can target treatment at the genetic level to try to find a cure for that cancer. So there will be 50 tumours.

My understanding is that the quantity of information required is 25,000 times greater than the Human Genome Project, which at the beginning of this century was the greatest challenge of mankind; it required the entire world research community to unlock the human genome. Now, less than a decade later, we're doing a project that's 25,000 times bigger. I'm so proud that the world headquarters for this effort is here in Ontario, at the Ontario Institute for Cancer Research. They are in the process of creating the largest health informatics database in the world. Dr. Lincoln Stein from Stanford has come now to Toronto, to the Ontario Institute for Cancer Research, to lead that effort because it is the biggest project. That's a great example: If we can get our researchers, give them the tools that they need, focus, give them the challenge, act as a catalyst, support them—and I was proud, as a minister, to provide an additional \$10 million for them to be able to secure the secretariat. But that

project alone could do for our province what the human genome project did for Boston and Massachusetts. It has that potential.

Will it be successful? I don't know. But is it worth it for us to be part of the cutting edge of the unlocking of that mystery? I believe so, and that's why we made that investment. I hope it gives hope to people, not only in Ontario but around the world, that we are doing our very best to try to conquer disease, particularly cancer.

The Vice-Chair (Mr. Garfield Dunlop): Thanks very much, Minister; that's great. Good answer.

The final rotation: Ms. Scott or Mr. Hillier?

Ms. Laurie Scott: Mr. Hillier.

The Vice-Chair (Mr. Garfield Dunlop): You have 20 minutes.

Mr. Randy Hillier: Thank you very much for being here. This is my first time being at estimates.

Hon. John Wilkinson: Me too—

Mr. Randy Hillier: Quite interesting.

Hon. John Wilkinson:—as a minister.

Mr. Randy Hillier: I want to first congratulate you on having obviously a very lean and efficient ministry. I see that there are only 15 staff here to help answer the questions from three opposition members.

Hon. John Wilkinson: They're very helpful, Mr. Hillier.

Mr. Randy Hillier: I'm sure they are. And in that vein, I've been reading through some of your budget numbers and whatnot. What I would like to know is how many employees your ministry employs directly.

Hon. John Wilkinson: My deputy minister, who's responsible for the administration of my ministry, would be more than happy to answer that question.

Mr. George Ross: We have 137 full-time employees in the Ministry of Research and Innovation.

Mr. Randy Hillier: So 137, and if I'm correct, their wages were near \$10 million?

Mr. George Ross: I'll have to check the exact number on salary and wages.

Mr. Randy Hillier: Clearly, one thing that we can see from the Ministry of Research and Innovation is that you've spent a lot of time in research and been very creative in coming with all of these funds: the innovation demonstration fund, the investment accelerator fund, the Ontario research and development challenge fund, the Ontario research commercialization program, and it goes on and on. I was wondering if you could answer how many projects totally you have funded directly from the ministry.

Hon. John Wilkinson: That's a good question, and I was going to say, just for some historical context, that the function that is done by the Ministry of Research and Innovation over the last 20 years has been through various ministries. So the first thing is the creation of the ministry—

Mr. Randy Hillier: No, I'm just looking for how many projects you directly funded last year.

Hon. John Wilkinson: Okay, so last year?

Mr. George Ross: It's a complicated question. It depends on the program you're referring to, but I can—

Mr. Randy Hillier: Do you have an aggregate total of how many projects were invested in, in total?

Mr. George Ross: No, we don't have an aggregate total in the total number of projects that are invested in, but we do have some data by program area if you'd like to go through that.

Mr. Randy Hillier: No, I don't think so. I would like to get that information, though—the total number of projects that have been funded and also the total number of applications for projects, so that we can compare how many are being received and how many are being funded, for those 137 employees.

Mr. George Ross: We can follow up with data. Much of it is available on our website already, so we can certainly aggregate that data and provide some of it—

Mr. Randy Hillier: Could you provide that to us directly?

Mr. George Ross: All of our programs are governed by a review process, depending on what the program is. For example, in our research area, it's a peer-review process, so applications are received and they're reviewed by international panels. Due diligence is done on investment activities.

Mr. Randy Hillier: I have no doubt that due diligence is done. I just want to see what the total numbers are.

Going on to another line of questioning, I was here yesterday listening to your answers and I heard some phraseology and answers which I thought were very interesting: “breakthroughs”—you want to make sure that breakthroughs in technology are commercialized here first, in Ontario; develop our “full potential”; and even today, the role is not to “interfere with business”—a number of very significant and important phrases. As I was thinking about that, I was reflecting on my own riding and how that plays out in concrete terms. So does your ministry coordinate new technology investments with other ministries? Is there any coordination between what's happening with other ministries and new technological advancements and investments?

1700

Hon. John Wilkinson: That's a good question, Mr. Hillier. I can tell you that when the ministry was created—I'll just give you one example: the innovation demonstration fund, which is quite specific as to what part of the market we're looking for and what stage of company we're looking for. One of the areas of review is—there's an assistant deputy minister review panel, which allows, I believe, seven sister ministries to take a look at that. I'll give you an example. When you deal with the bioeconomy—in other words, how do we reuse renewable carbon and replace fossilized carbon, oil and gas, with renewable carbon which comes from forestry and agriculture, which are important in your riding and in my riding—you actually need to have some coordination with the Ministry of Agriculture, Food and Rural Affairs, the Ministry of Natural Resources and the Ministry of Energy. So when those projects come to us we have a

process which allows affected ministries to actually have input on that and we try to coordinate our efforts.

Mr. Randy Hillier: With the end game of seeing that technology come through, if it's worthwhile.

Hon. John Wilkinson: Yes, that's right, and make sure that we're not duplicating efforts and there are not big gaps that we're missing.

Mr. Randy Hillier: Okay, that's good to know, that there is this coordination going on. That helps me frame up my next question, because I have a number of examples in my riding where industry has been looking to put new investments into technology to help, of course, improve our competitiveness and retain jobs. We all know that jobs in the manufacturing sector are in jeopardy everywhere across this province.

I would like to give an example here. There's one firm in my riding that started a process in 2003 to convert waste to energy for that business. It would have improved them significantly, improved their competitiveness. Without going through all the historical process, over five years of process they've decided to pull out. The cost of the process was in fact greater than the investment that they were intending to put in originally. They've pulled that project off the shelf because of red tape, obstacles and procedural hang-ups through the Ministry of the Environment. Is the Ministry of the Environment one of those coordinating ministries?

Hon. John Wilkinson: Yes, it is, and we've been working very closely with the Ministry of the Environment. I used to be there; I used to be the parliamentary assistant. One the challenges that you have when it comes to innovation, and you deal with government, is the fact that to protect the interests of the taxpayer we have something called the procurement process. When we're going to buy something, let's say soap, and we're going to buy soap for all the hospitals in Ontario or all of the government buildings in Ontario, there's a procurement process to make sure that we get the best soap at the best price for the taxpayers. Well, what if you come up with something that's better than soap? Right now the government doesn't have the capacity to look at that, because we're looking at the procurement process. One of the roles of the ministry is to, within our government, help break down those barriers so that we can look at things that are innovative. For example, there's—

Mr. Randy Hillier: That's interesting—to help break down those barriers—because what I see in this particular case is that you've helped construct the barriers: five years of process at huge and significant costs in a changing goal line because the procedure is always changing. The process was originally expected to take two years, to get all the approvals, and five years later it's still not approved. So it appears that there are more obstacles being constructed and this coordination of ministries is not actually happening, or not being effective, anyway.

Hon. John Wilkinson: I've only been here for five years, but I think we had for many years here, when it comes to regulation, the question that waste should be

landfilled rather than incinerated. That was the kind of lay of the land here. I think both municipalities and the provincial government have tried to encourage the use of blue boxes and recycling to divert from landfill.

I think that in the sustainable environment that we're looking at, we have to make sure that if we're recycling, we're also recovering energy, if there's energy that has been put in. The question is, how do we do that without damaging the atmosphere? So I look at a company like Plasco that is using plasma arc technology, which doesn't incinerate or gasify the waste but actually ionizes it down to its base elements.

Mr. Randy Hillier: I heard that whole—

Hon. John Wilkinson: That's a technological innovation. That technological innovation—the rules that were set up did not take into account an invention that was going to happen in the future. Those inventions have happened. What our ministry tries to do—and we work closely with the Ministry of the Environment—is provide our cutting-edge strategic view of how technology is developing in this province and around the world, and to try to—

Mr. Randy Hillier: I'll give you another example. There's another firm in my riding that came up with a new technological process for their industrial application. They're the largest user of water, actually, in that municipality—50 million gallons of water a year—and they had a new technological process that would reduce that down to four million gallons of water—significant savings for the municipality, significant savings for the industry, significant savings also on the waste going out to the lagoons.

We started that process last November to get them some assistance, some participation by the provincial government, and, as of now, they still have not received word. In fact, as they waited for the process, they essentially closed down. They couldn't wait any longer and they're down. I don't know if they're producing anything right at the moment. So here's another case of technology improving our competitiveness and improving our environment—it may not be absolutely perfect, but an improvement, and improvements are always good in my books—but it's held up without government participation or assistance. I think eight months to get word is a little bit long in the tooth.

That was, again, with one of these ministries that you say you coordinate with, OMAFRA. It appears that the nice words about not interfering with business and making sure that we have commercialization are ringing a little bit hollow on those two cases.

Hon. John Wilkinson: Well, Mr. Hillier, just so we're clear: The job of those of us who are elected is, we're stewards of the taxpayers' money, so there are, at times, different interests between business and government, whose function it is to protect the public. So it is important, for example, that in haste, we would not embrace the need for both transparency and accountability, which I'm sure you and I would both agree—

Mr. Randy Hillier: Absolutely.

Hon. John Wilkinson: But I can tell you, for example, that our ministry—and I can't comment for other ministers. I can tell you that we have a good working relationship, as I said, with the other ministries; MOE and OMAFRA are two of them that we deal with quite frequently. For example, when we launched the Next Generation of Jobs Fund—some \$1.15 billion—one of the things that we learned through the process of the Ontario Research and Innovation Council, consultations that I led and from international experts, is the need for us to get up to the speed of business.

So we did something that was very innovative. We can't find another government that said that, when you submit a completed application to our ministry, and also to the Ministry of Economic Development, the government will make up its mind in 45 days guaranteed. That is very innovative. The interesting thing is, where the innovation is—and we worked very hard with my deputy on this—is that a lot of times, that frustration was due to the fact that the government hadn't communicated what was a completed application, so that when a company would apply to a program, we would receive that. Because we were doing due diligence, the government was loath to actually talk to the proponent, because we were actually, "Give us some time here. We have to take a look at this objectively to determine whether it's in the best interests of the taxpayers to proceed with this application."

We've put a lot of effort in the front end to actually deal with proponents and make sure the application is actually complete and that all the answers have been provided. I've told people that if I have an application and the due diligence is done and everything is complete, it doesn't take me a long time to make up my mind as the minister. It doesn't take a long time for everybody else in the system who's doing the due diligence. It is a novel concept in government, Mr. Hillier, but I think it's the right step that we're trying to make about how to speed up that process.

1710

Mr. Randy Hillier: Oh, I agree, and I commend you for actually setting a time frame for yourselves.

Hon. John Wilkinson: Spread that through the government.

Mr. Randy Hillier: Unfortunately, we haven't seen the fruition or the benefits of it yet in many of these cases that I've seen.

Another one: Of course, when we're talking about investments—and we're probably pretty clear these days—certainty and stability are an important component in business investment. As you were saying earlier, you have seven deputies in that coordinating body?

Hon. John Wilkinson: No, you asked the question about whether my ministry acted in isolation as a silo or whether we reached out. The mechanism that we have is that obviously we're in constant contact; I see my fellow ministers all the time. But we actually have a review committee that's made up of assistant deputy ministers, if I'm correct. To be absolutely accurate, I'll turn that over

to my deputy minister, who does understand this much better than I. Deputy?

The Vice-Chair (Mr. Garfield Dunlop): You have about three minutes left to finish up this round of 20 minutes.

Mr. George Ross: We have very, very close working relationships with a number of other ministries, because the innovation agenda that we're responsible for implementing obviously is integral to the mandate of many ministries across the government. Depending on the program that we're delivering, the mechanism for interaction with those other ministries is established. In the case that the minister was referring to, we use an inter-ministry panel to review applications and the due diligence that is done by a third party before those recommendations come to the minister for final decision. That's a way of getting input and coordination across ministries.

Mr. Randy Hillier: Okay. That clears things up. Now, looking at that clarification and looking at the tangible impacts in my riding, it's pretty clear to me that there ought to be a coordinating system maybe within cabinet so cabinet can see where innovation is being prevented by other people in those silos, such as a couple of the examples that I've just given.

Hon. John Wilkinson: Well, Mr. Hillier, when the Premier created the Ministry of Research and Innovation, it was the first time in the history of our country that there was a Minister of Research and Innovation. I'm proud to have taken over the mantle from the Premier, but I can assure you that in the cabinet of the Ontario government, there is a voice—mine—which is charged with trying as best we can to push forward on this innovation agenda, which requires the ability to adapt, to have the change, to reduce barriers, to look at the opportunity that the future presents to us and, if necessary, to adapt to that so that we can maximize it for the benefit of the taxpayers here in Ontario.

Mr. Randy Hillier: Well, I'll just finish off there—

The Vice-Chair (Mr. Garfield Dunlop): You've just got a minute left to clean this up.

Hon. John Wilkinson: Sure.

Mr. Randy Hillier: Just in those in those couple of examples—I'll have a few more in the next round—there are a couple of hundred employees who have lost their jobs from the process that we have right now: preventing innovation from being seen on the ground, being implemented, seeing it commercialized in Ontario first.

I'll leave the rest for later. Thank you.

The Vice-Chair (Mr. Garfield Dunlop): You won't have another round, by the way, but you can answer this question.

Mr. Randy Hillier: Oh, do we not?

The Vice-Chair (Mr. Garfield Dunlop): This is going to complete research and innovation today, so do you have anything further to add to that, Minister?

Hon. John Wilkinson: Well, no—just that I would offer to you, Mr. Hillier, and I've offered to all the members, that if you have specific examples within your

own riding, I'm more than happy to work with you. It's important for our ministry always to be a force of innovation.

One of the things that innovation requires is collaboration. It is something that we in Ontario are known around the world for, particularly in our research community and even within our business community. Under the Next Generation of Jobs Fund, we have our strategic opportunities fund. It's all about industrial consortia, in other words companies that day in and day out compete against each other actually coming together to open up a new industry.

Mr. Randy Hillier: I'll look forward to those conversations when I bring them over to you.

Hon. John Wilkinson: Sure.

The Vice-Chair (Mr. Garfield Dunlop): Okay. Thank you very much, Minister. We'll now go to the third party for their next 20-minute round.

Mr. Michael Prue: I've had the opportunity over the last couple of days—some 80 minutes of questions. Quite frankly, I've been pretty satisfied with the answers, which is kind of rare for me, sitting around a table like this. I know that we're trying to finish, and I've talked with my good friend Mr. Rinaldi about his desire to be back in his riding, and I think I'm just going to let it go.

Hon. John Wilkinson: I appreciate those comments, Mr. Prue. Just make sure the record reflects that.

The Vice-Chair (Mr. Garfield Dunlop): You're done asking questions?

Mr. Michael Prue: I'm done asking.

The Vice-Chair (Mr. Garfield Dunlop): Okay. The government members, then?

Mr. Lou Rinaldi: Thank you. I too have been here for the duration, and I know the members of government have asked the questions that I think we needed to ask. But at this time, I just wanted to take whatever time I have remaining and whatever the minister would like to take to address any comments. I just want to take the opportunity to thank both Chairs that we had, staff, and government staff who were involved in this. Of course, Minister, to you and your staff, thanks very much. I think you were very well prepared. I know that although this was a new committee for me this session of government, it's certainly been a learning experience. So I just wanted to say thank you and to thank everybody involved.

At this time, though, Minister, if you wanted any final comments to wrap up, I would certainly leave it up to you to do that. You've got a whole 20 minutes, if you wish to take it—

Hon. John Wilkinson: I won't take 20.

Mr. Lou Rinaldi: —but if not, we do have a drive home.

Hon. John Wilkinson: Thanks, Mr. Rinaldi. Yes, I look at the clock; to me, it looks like it's very close to 6 o'clock, so I will be brief.

First of all, I do want to thank all members for the questions and your attention. It's the first time that I've actually been called to estimates as a minister, and I have a greater understanding of the tremendous amount of

work that is done by the good people at our ministry who have to prepare for this, and I want to thank them. They've done a magnificent job of supporting me, and I appreciate that.

I would like to close, though—because I think one of the questions that may have been left unanswered is: “Okay, you're doing this, and we all agree it's important to do, and it really is something that we're going to have to get very good at in the 21st century. But what are the results that you're getting?” I think those are fair questions for the ministry. We're in a new area where we're trying to find those metrics, to be able to say what success is.

But I want to let you know, just to give you some highlights: We have 10 projects in the innovation demonstration fund, an investment of some \$30 million; we have 45 Ontario research fund research excellence projects—\$230 million; 727 Ontario research fund research infrastructure projects—\$271 million; 21 translational research projects through the Ontario Institute for Cancer Research—nearly \$8 million; 451 projects through the Ontario Centres of Excellence, where we've invested some \$170 million; and 38 market-driven R&D projects through the Health Technology Exchange, a program we have that we didn't discuss.

When it comes to public and private sector partners, how are we doing there? We have 280 industrial and institutional partners through the Ontario research fund excellence program, which matched the \$230 million; 200 industrial and institutional partners through that Ontario research fund research infrastructure program—a match of \$271 million; 637 companies through the Ontario Centres of Excellence—\$170 million; and 28 companies through the Health Technology Exchange.

What is the amount of money that we've leveraged? There's \$460 million that's been leveraged out of our investment of \$230 million in the research excellence component of the Ontario research fund, and when we look at the research infrastructure, it has leveraged \$400 million beyond the investment of our ministry. Of the \$16 million that has been invested by the Ontario Centres of Excellence, that has leveraged some \$33 million.

Another question would be: What jobs have been created from this? I can tell you that the Ontario research fund and research infrastructure have resulted in 2,300 highly qualified personnel, trained and recruited by the Ontario research fund. I can assure you that the economic multiplier effect of those jobs—that those jobs, those researchers are paid very well. They are some of the brightest people in our province, and they are doing the work that we need them to do to find a cure for cancer, to live sustainably within our environment and to expand the digital universe.

There have been 246 public and private jobs through the research infrastructure; some 330 high-paying research and construction jobs through the biopharmaceutical investment fund, from an investment of some \$13.9 million of the \$150 million that's been allocated to my ministry.

When it comes to intellectual property, all of this requires the fact that you have a patented idea that is yours, because that is the heart of commercialization. We have some 94 patents and licensing agreements through research infrastructure; eight spin-off companies through the Ontario research excellence fund; 13 granted patents and 23 patent applications through the Ontario Institute for Cancer Research; 10 invention disclosures from OICR; four spin-off companies from OICR; one licence through OICR; and some 24 patents granted and 110 patent applications at OCE, and 25 licences.

When it comes to awards in education, something else we didn't talk about: the outreach that all of our programs have into our high schools. We've had 1,000 highly qualified personnel reaching out to a projected 82,500 young people through our science-based activities, through our early researcher awards; 96 fellows have received post-doctoral fellowships; and 14,000 youth,

connecting over 350 science events, as part of seven projects that help connect science and youth.

With that on the record, Mr. Chairman, I want to thank you for your indulgence and the committee for your attention and your questions.

The Vice-Chair (Mr. Garfield Dunlop): Thank you very much, Minister.

Before we adjourn, I want to let you know that I'm going to be putting the question. Shall vote 4301 carry? Carried.

Shall the estimates of the Ministry of Research and Innovation carry? Carried.

Shall I report the estimates of the Ministry of Research and Innovation to the House? Carried.

With that, thank you very much, Minister, and all the staff of the Ministry of Research and Innovation. This meeting's adjourned.

The committee adjourned at 1720.

CONTENTS

Wednesday 24 September 2008

Ministry of Research and Innovation..... E-327

Hon. John Wilkinson, minister
Mr. George Ross, deputy minister

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E-17

E-17

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STANDING COMMITTEE ON
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BUDGETS DES DÉPENSES

Tuesday 30 September 2008

Mardi 30 septembre 2008

The committee met at 0900 in room 151.

MINISTRY OF LABOUR

The Chair (Mr. Tim Hudak): Good morning, folks. I'm pleased to call into session the Standing Committee on Estimates for our regular meeting of Tuesday, September 30, our morning session. Today will be the first day of the consideration of the estimates of the Ministry of Labour, for a total of eight hours. Minister, welcome and congratulations on your new portfolio.

Hon. Peter Fonseca: Thank you very much, Chair.

The Chair (Mr. Tim Hudak): I have some introductory comments to make to ensure we understand the process, and then, Minister, the floor will be yours. I do ask the ministry to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister, Ms. West, will undertake to closely monitor through your staff any questions that members ask at committee and send back through the clerk the responses so that we can distribute them to the members. It's understandable that sometimes we don't have all the information at hand, so I do appreciate that. If you wish, you may, at the end of your appearance, verify the questions and issues that were raised through our research officer, Ms. Campbell, to my left. Are there any questions on process before we start? I'll now call vote 1601.

The process is, Minister, that you have the floor for 30 minutes. I'd ask you to introduce members of the ministry that you have at the front bench only. After your 30 minutes, we will go to the official opposition, Mr. Bailey, for 30 minutes, and then to the third party, Mr. Miller, for his 30 minutes. Then we will have a 30-minute reply from the minister to the issues that were raised or additional material that you wanted to discuss. After that, we divide up all of the remaining time equally between the three parties, beginning with the official opposition. Are we good, folks? Terrific.

Minister, the floor is yours.

Hon. Peter Fonseca: Thank you very much, Chair. Good morning to everybody. Chair, thank you for taking me through the process of how this next eight hours is going to work. I'm delighted to be here with committee members, and I'm looking forward to this opportunity to present to you all the great things that are happening in the Ministry of Labour.

A lot of good work is being done. As you can appreciate, I was appointed to this new role but 11 days ago, but I am very excited and buoyed by what I've seen thus far. The learning curve has been steep, but it has also been exciting and eye-opening.

The Ministry of Labour, from the short time that I've been within the ministry but also from what I know about the ministry over the last five years, is a ministry that has a culture of excellence, knowledge, hard work and continuous improvement, and is always making sure that they are setting goals, targets and achieving results. It serves the hard-working people of Ontario, I believe, very well.

The ministry also, just to put into perspective—over the last 11 days I have been drowning in binders, but I have tried to think about the ministry and its principles, what its main thrusts are and the things that it is focused on, be it through its vision to help promote healthy and safe workplaces in Ontario, but also where we've come from and where we're going. The emphasis has been on education, on enforcement and on building partnerships and incentives so that we build a stronger Ontario and make sure that this is one of the healthiest and safest places to work, not only in Canada but in the world.

A lot has been done. I'm going to go a little bit more into detail in those areas around education with some of the programs—Live Safe! Work Smart!—in our schools as well as looking at changing cultures within the workplace and taking much more of a proactive approach to building a healthier and safer Ontario. I think that's very important, with enforcement and compliance to some of our major pieces of legislation, which we will get into, the Employment Standards Act as well as the Occupational Health and Safety Act. Thirdly, the partnerships and incentives and work that we do with all of our partners—and that is our health and safety associations, our agencies that work with the ministry and all of our employers and employees.

In the past few days, I have had the opportunity and the privilege to meet with many of the hard-working people at the Ministry of Labour and to speak with numerous individuals and groups that interact with the ministry on a day-to-day basis. I must say that it is very encouraging for me to know that I am in good hands and that I have the privilege to work with such a dedicated team of individuals. I'm going to have the opportunity now to introduce some of those individuals.

The ministry is led by my deputy minister, Virginia West. For those who don't know Virginia, if you could just raise your hand, Virginia—that's great. She was appointed deputy minister to the Ministry of Labour in November 2005. Virginia served as deputy minister to the Ministry of the Environment since January 2003, and prior to that as deputy to the Solicitor General since July 1999.

I would also like to introduce a number of other people who are here with me today. I would ask that you just raise your hand when I speak to the particular individuals.

Len Marino is our chief administrative officer. He began his Ontario public service career back in 1980, and for the past 16 years has worked in the field of financial planning/expenditure control at both the ministry and central agency levels. Prior to joining the Ministry of Labour in 1999 as the director of business planning, finance and administration, Len held senior management positions in the program management and estimates division of Management Board Secretariat and the Ministry of Finance.

Sophie Dennis assumed the role of assistant deputy minister of operations division with the Ministry of Labour in November 2007. Sophie has been with the Ministry of Labour for over 27 years, and she began her career with the Ministry of Labour as an industrial inspector responsible for investigating workplaces and ensuring compliance with our Occupational Health and Safety Act. Sophie has since moved on to a variety of positions, including regional manager and industrial provincial coordinator.

Also with us is Susanna Zagar, our assistant deputy minister for policy and labour management services division. Susanna assumed the role of assistant deputy minister, policy and labour management division, with the Ministry of Labour back in June 2001.

John Stager is our assistant deputy minister responsible for the inspections, investigations and enforcement secretariat. John has been an assistant deputy minister lead for the inspections and investigations and enforcement modernization initiative, and has served as the head of secretariat since November 2004. Why it's so important to have all these key people here with us today is that they really have all the knowledge. We have a great knowledge base here and are going to be able to provide some of the details and more insight into, I'm sure, many of the questions you will have.

0910

We want to make sure that we also have some historical perspective to some of our programs: where we've come from, where we are, where we're going and how our budget is impacting those programs and helping us to achieve the results we all want. The Ministry of Labour plays a key role, and I've come to learn how key a role, in the lives of all our workers across this magnificent province of Ontario. Our service to the hard-working people of Ontario is best described by our goal, which is to promote safe, fair and healthy workplaces that create productive relationships and benefits for all Ontarians.

The ministry budget is just over \$170 million, with about 1,500 staff. For its size, we do a lot of great work. Ontario taxpayers, I believe, and I'm sure you will, once you hear the rest of this opening statement and hear from some of our leaders in the Ministry of Labour, believe that the investment in the Ministry of Labour is an investment in all Ontarians.

Today our province's economy is facing a number of challenges that are beyond our control. They include things like—and we've all heard on the daily news, or it could be in the chamber here, or as we read our newspapers—the slumping US economy, the rising and sometimes unpredictable price of oil, and the impact of the strength of the Canadian dollar vis-à-vis our export-driven sectors of the Ontario economy.

In the face of these challenges, our government is implementing a five-point plan to steer us through these uncertain times. The plan involves a focus on making us more competitive and flexible. I believe at the heart of this plan is our people. What Ontario is rich in is our people. We may not have the oil of Alberta, but we do have the strength of our people. This five-point plan has key investments in our 13 million Ontarians who call this place home:

- Investments in skills and knowledge and helping individuals that are in a transitional period to find a second career;

- Investments in infrastructure that are so important to moving goods and people;

- The Investing in Ontario Act will be creating 11,000 jobs;

- Strategic tax cuts for businesses to encourage investment: When fully implemented and phased in, that would be almost \$3 billion annually.

- Investments in innovation and looking at how we can do things better and be more effective, efficient and competitive; and

- Investments in partnerships: We understand that we must all work together to be successful and to reach the heights that we all want.

This, I believe, is a robust plan to counteract the challenges we are facing today.

This plan that our government has put forward, this economic plan, also aligns, I believe, very well with our Ministry of Labour plan. Furthermore, the Ministry of Labour supports the government's agenda through its three key program areas: our occupational, health and safety program, which helps businesses achieve higher productivity and lowering costs resulting from fewer workplace injuries; our employment rights and responsibilities program, which is supporting fair workplaces which promote higher productivity; and our labour relations and internal administration program, which makes it possible for effective labour relations and dispute resolution, thereby supporting our fair and stable workplaces in increasing productivity.

Through the ministry's three key areas, our mandate is to set, communicate and enforce workplace standards while encouraging greater workplace self-reliance. I'd

like to take some time now to expand on some of the aspects of the Ministry of Labour's key program areas. The ministry's primary goal for occupational health and safety is to create an environment that makes Ontario's workplaces among the safest in the world. The ministry also participates and provides leadership in setting direction for occupational health and safety systems.

We've hired 200 new health and safety inspectors to assist in the work we're doing to reduce lost-time injuries in the workplace. These inspectors have been successfully recruited and trained and are now working the field to support our program strategies and commitments. That brings us to over 400 inspectors now working in the field.

Recently, there have been some comments made, I know, regarding our inspectors. Our inspectors have the power, as health and safety inspectors, to shut down some machines when there is imminent danger of injury. However, in many cases an inspector will issue an order to improve or enhance the machine and provide a timeline for the employer to fulfill that order. Inspectors are always open to interim solutions as long as they provide equivalent measures of safety while they work on what would be a permanent solution. In addition, the employer always has the right to appeal any decision by a health and safety inspector, including a stop order, to the Ontario Labour Relations Board.

Let's take a look at our targeted enforcement strategy to see where we're getting the results that we've been getting and see a few of the numbers at a glance. Over 6,000 high-risk workplaces are inspected up to four times per year; over 30,000 visits to priority workplaces with a high incidence of injury; over 25,000 visits to lower-risk workplaces have been conducted; and we have our last-chance initiative for more than 5,000 firms to voluntarily improve their health and safety record. I'm proud to say that we have reduced the annual lost-time injury rate by over 20% since March 2004. The Workplace Safety and Insurance Board has acknowledged the Ministry of Labour's targeted enforcement program in noting that significant gains in injury and illness prevention have been made.

Over the four years of the Ministry of Labour's strategy, it's estimated that more than 54,000 lost-time injuries have been prevented. This is outstanding progress, and I want to take a moment to recognize the impact of this achievement. There are a lot of statistics in this business, I've come to learn, and sometimes you can get a little overwhelmed and bogged down with those numbers, with the sheer volume of numbers that people provide you with. But I think it's very important to illuminate this number, and it's one that we should all here be very proud of.

I think it's important to ask, "What does this mean?" What does the reduction of 54,000 lost-time injuries mean to every Ontarian? Well, that's 54,000 people who will not hurt themselves in some way at work, whether it's a bump on the head that requires an afternoon off to recover or whether it's a serious injury resulting in a prolonged stay in the hospital. We have worked together

over the past four years to prevent a significant number of workplace injuries.

Think about the impact of that on a lot of people's day-to-day lives. That's 54,000 who won't hurt themselves and, in turn, won't hurt their loved ones. That's a significant number of Ontarians who do not get pulled out of a meeting, out of a classroom or off the assembly line to find out that their loved one has been rushed to hospital. That means that at the end of the day, a lot of people are going to walk, drive, carpool, take public transit or cycle as a way to get home and enjoy an evening with their families. In all, it means the pain and suffering caused by an injury in the workplace has been avoided for a lot of families.

0920

In financial terms, hard-working Ontarians have avoided a bill of over \$5 billion in claims costs. Think about that, \$5 billion. What will that mean in terms of help to our infrastructure, agriculture, education, health care services, public transit, poverty initiatives, social services, our children and our seniors? To build on the success of our achievement in the reduction and prevention of workplace injury, the Ministry of Labour has launched our new Safe at Work Ontario initiative. This is an initiative that I will champion to help continue with the progress that has already been made and that we want to continue with. This initiative allows the ministry inspectors to be more flexible and strategic in determining which businesses require their attention based on a number of factors, including injury rates and associated costs, a company's compliance history and the presence of young or inexperienced workers. The goal of the plan is to enforce the Occupational Health and Safety Act, while educating workers about the importance of workplace safety and lessening the burden on our health care system.

We're reaching out to young workers to ensure that their work experience is not only educational, but safe. Young people are entering the workforce and taking some of their first jobs. We all hope that those jobs will lead to healthy and successful careers. Young Ontarians are building their skills and experience in the workplace, and it can be a very exciting and challenging time.

I can remember one of my first jobs. I was 16, and I was working in an industrial kitchen. This was over the summer. I would come in at about 3 o'clock in the afternoon and work the shift until about 11 p.m. It was really a "do everything" job, from mopping the floors to delivering food—it was actually in a hospital—up to the patients, going and re-collecting all of the trays, bringing them down, cleaning them, working on the assembly line as we would put the food onto the trays for those patients. It was very important; you had to make sure that the patients got their dietary needs, and they were very different for the over 400 patients that were in the hospital. Nearing the end of the day, after the supper hour, one of my jobs was to come back and clean a lot of the machinery.

I did wear a hairnet and safety gloves and took many of the safety precautions, but as I recall, there wasn't a lot

of time for education or for training from when I got into the job to when they put me right on to the front lines and doing it. It can be very stressful when you may not have some of the knowledge or that skill set to be able to get up to speed that quickly. As a young worker, and with little experience of many of the tasks that I was asked to take on, I did do some shadowing with some of the workers. Some took many preventive measures to make sure that they were healthy and safe, but others, I have to say, did not.

One of my jobs was to clean the meat-cutting machine. I don't know if you've ever seen these machines. They're pretty big. They have a huge blade on them. The way that I was taught, at first, to clean the machine by a supervisor was that the machine should be off, I should have the right equipment, gloves etc., and clean the blade piece by piece. I did that for a little while—it would take quite a while to clean that machine thoroughly—and then I did see one of the more experienced workers who had been there for a while and the way that he cleaned the machine one day when I came in early. What they did was they turned on the machine. They grabbed a rag, and as the blade was spinning—at I don't know how many revolutions per minute, but in the thousands—they would put the rag on the blade, and it would clean off all the meat and any of the carvings etc. on the blade. You could clean the machine that way in about a minute—not even, 30 seconds. The other way may take you a good 15 to 20 minutes to clean the machine. As I said, I would clean this machine after the supper hour. Many times, especially at the start, I was running somewhat behind with some of my other duties, so I took it upon myself, having seen how it could be done a much quicker way, to grab a rag and clean the machine that way. Luckily, I was not injured, but every time I go into a deli or a kitchen these days and look at one of those machines, I cringe to think of what could have happened. The cloth could have got jammed and my fingers and hand could have been brought into the machine and it would have been quite a tragic story.

Those are the types of experiences that I'm sure all of us have had in our early days and in some of the jobs we've taken on, the types of things that we want to stop from happening. We want to make sure we have the right training and, working with our joint health and safety committees in the workplace, that they provide the right education and resources etc. to keep our young workers, inexperienced workers—all our workers—safe from harm.

According to the Institute for Work and Health, workplace injuries in Ontario are four times more likely to occur to new and young workers during the first month of employment than at any other time. That's why our Ministry of Labour inspectors pay special attention to the orientation, training and supervision given to young and new workers. The ministry has also created an innovative, young-friendly website, www.worksmartontario, to provide our young workers with the information they need to stay safe at work.

We've revised our Employment Standards Act poster to direct individuals to a new young workers' Internet portal on the Ministry of Labour's website. Young worker health and safety information kits have been distributed to all your MPP offices across the province. In partnership with the Ministry of Education, we've provided Live Safe! Work Smart! program resources to classrooms across Ontario. They include innovative resources for students with special learning needs.

Young worker safety tip sheets have been distributed to over one million grade 7 to grade 12 students across the province, and our www.worksmartontario website for young workers and the Live Safe! Work Smart! program that reaches out to students in our schools reveal our commitment to young worker health and safety.

We have an abundance of resources on our Ministry of Labour website that can assist employers and employees in a number of ways. We have our enforcement plan available. Companies can utilize our website to review major concerns in their particular industry or sector. Employees can use our checklist for workplace violence facts and then click on "Links" to help them develop workplace violence prevention plans.

When it comes to health and safety, the government of Ontario puts a premium on safe practice and fair policies to ensure that every hard-working Ontarian can make it home safe at the end of the day.

The Ministry of Labour launched an ambitious strategy in 2004 to transform the employment standards program. This included an outreach to vulnerable workers and an increased emphasis on proactively enforcing compliance and prosecuting chronic offenders. This strategy is the basis of our commitment to protecting employees' rights in the province of Ontario.

Under the ESA, our employment standards officers are authorized to issue a variety of orders covering unpaid wages or other violations of the Employment Standards Act by employers. The ministry has over 140 employment standards officers to investigate over 20,000 claims per year. The vast majority of these claims I'd like to say are resolved and, on average, over the past four years about \$10 million has been recovered for workers through our voluntary payments program before orders even have to be issued.

0930

Our government has also pledged an additional \$3.6 million annually to improve service delivery and shorten the time it takes to resolve employment standards claims. In light of this, the Ministry of Labour has developed a new business model for more efficient and effective processing of employment standards claims. There will be a new central intake provincial claims centre in Sault Ste. Marie together with a new IT system to support this model. In 2006–07, there were 2,713 targeted inspections and 458 prosecutions. Over \$7 million in unpaid wages was recovered on behalf of those vulnerable workers from April to December 2007. Our ministry is reaching out to interested groups and partners through partnerships with community colleges. The Ministry of Labour con-

tinues to provide Employment Standards Act information at seminars for small business and with community groups who reach out to newcomers across our province.

Between 1989 and 2003, over those 14 years, there were 97 ESA prosecutions initiated. Since 2004, there have been almost 1,700 prosecutions completed. That's good for employees, and that's good for businesses who complain about the unfair playing field for businesses who do not comply. We want to make sure that there is an even playing field. We've reached out to our diverse communities and provided much of the information through the Employment Standards Act in many different languages—actually over 20 different languages.

Members and others, I am being told that I've got a short order to conclude. What I would like to say in conclusion is that the Ministry of Labour plays the key role in the daily lives of all workers in the province. Our service is to the hard-working people of Ontario, and it's best described by our goal to promote safe, fair, and healthy workplaces that create productive relationships and benefits for all Ontarians. We will continue to work closely with our partners like the IAPA, the WSIB, joint health and safety committees, the health and safety associations and other health care partners to explore new ways to reduce all workplace injuries. We're going to continue to conduct proactive inspections in support of our goals, and we will further evaluate and develop our business models to address these increased claims that I just spoke to and reduce wait times for the initial review of claims. A lot of work has been done, a lot of progress and results have been achieved, and we will continue on that path and deliver more results and progress for the workers of Ontario.

The Chair (Mr. Tim Hudak): Terrific, Minister, 20 seconds to spare. This is nice to see.

We'll now proceed with the 30 minutes to the opposition followed by the 30 minutes to the third party—and then back to the minister for a 30-minute wrap.

Mr. Bailey, the floor is yours.

Mr. Robert Bailey: I'd like to welcome the new minister today. I look forward to working with him and his staff, the department and all members of the House for the safety of workers in Ontario—and also the well-being of the employers that create those jobs.

When you talked about your first job, it made me think about probably longer ago than I want to remember. My first job was probably longer ago than yours. I was thinking that today you said that you didn't have much training or anything when you started your new job—I think that's what it's probably like when you get your new minister's job. You come in and you're thrown into the lion's den, maybe without all the proper equipment and everything. But it looks like you've been well trained—things have changed over the years, and you've probably been well prepared for today, so that's good.

My first question that I would like to ask is under legal services. Legal services are provided by the Ministry of Labour, by the legal services division of the Attorney General. I understand that these programs provide a full

range of services: regulatory enforcement, litigation etc. One of my first questions would be—according to the results-based plan of legal services to provide labour-related strategic support—could the Minister please explain to the committee the details of this committee's transformation initiatives?

Hon. Peter Fonseca: I thank the member for the question. The member is quite right: We've got some terrific staff here with a lot of knowledge, and I look forward to meeting with the staff as we sit down so I can get briefed on many of the different departments and issues before this ministry. I also want to thank the member for bringing up some of his own experiences with his first times in the workplace.

When it comes to the legal services, that is an area that I have not yet been briefed on. But as I said, we have hundreds of years of knowledge here, and I am going to ask my deputy minister if she can share some insight with the member into this particular question.

Ms. Virginia West: Virginia West, deputy minister. I don't think the minister meant that I had a hundred years of knowledge.

Mr. Robert Bailey: I'm sure he didn't.

Ms. Virginia West: Because I don't think that's the case.

Interjection.

Ms. Virginia West: Absolutely.

Mr. Bailey, maybe you can be a little clearer as to the question itself, but our legal services branch, as all legal services branches within ministries, is really part of the Ministry of the Attorney General and on secondment to the individual ministries to support them in their delivery of services. The legal services branch budget is around \$10 million. It does provide what we refer to as litigation and solicitor services.

The litigation services for the Ministry of Labour, in particular, deal a great amount with our prosecutions, as the minister mentioned, both under the Occupational Health and Safety Act as well as under the Employment Standards Act. I can say that they are very excellent and competent in the services that they do deliver and it is a very important part of the ministry's compliance program. Obviously, our effort is towards compliance with health and safety or employment standards. There are components to those programs that include education, as the minister said, helping to support employers and others to meet their obligations, making sure they're aware of them, and obviously enforcement as well. But prosecution is an important part of that deterrent, both with respect to that specific employer as well as a deterrent to other employers on a general basis. We have lawyers who provide that support to the minister and the ministry, as well as solicitors that then assist us and work with our policy folks in considering policy options for the government and bringing forward and supporting regulations as well as legislation.

Mr. Robert Bailey: Have you found that, over the years, as the minister spoke about the increase in the inspections, you've had to utilize more of these resources?

Ms. Virginia West: Yes, we did. In fact, when we did get the approval for 200 new inspectors for the health and safety program, at the same time we also got approval for additional lawyers—

Interjection.

Ms. Virginia West: —two lawyers—to help with that expected increase in prosecutions.

Mr. Robert Bailey: What would the length of time for a prosecution be, from the time the inspector would lay a charge in the field or an order and the investigation? Are we talking a year, six months? Do you have any idea?

Ms. Virginia West: It always depends upon the particular incident. Obviously the incident itself requires time for the inspector/investigator to conduct his or her investigation. Again, it depends upon the complexity of that before consideration is given as to whether prosecution should be pursued in the circumstances, and then briefing with the lawyers involved. In some respects, the time it takes to actually bring it to court depends upon the availability of the court services. So it really does depend upon the incident itself.

Mr. Robert Bailey: The next area I'd like to move to is audit services. I'll give some background to my question before I ask the question. The internal audit services provided by the minister are under a memorandum of agreement with the resources and labour audit service team of the Minister of Finance. These internal audits obviously represent a critical element of the ministry's modern control framework by identifying risks etc. and determining how the overall controls and risk management of the framework can be strengthened. My first question would be: According to your results-based plan, audit services conducts value-for-money audits to assess economy and efficiency and to evaluate those processes in place to assess these programs. Could the minister or his staff please tell this committee how many value-for-money audits the ministry conducts annually and which programs they audit?

0940

Hon. Peter Fonseca: Again, having been on the job for 11 days, we wanted to make sure I was up to speed on some of the information before us that was important and urgent. This is some of the internal workings of the ministry—the audit services. Once again, I'm going to defer to my deputy minister or others who may have that knowledge.

Mr. Robert Bailey: Sure.

The Chair (Mr. Tim Hudak): Thank you, Minister. Mr. Bailey as well, you're free to call up anybody you want from the list we provide the minister, if you choose, or the deputy. It's your call.

Ms. Virginia West: Thank you, Mr. Bailey. The audit services, again, within government these days is delivered on a cluster basis, so that we do have audit resources that provide services to a number of ministries on a cluster basis. They report through to the Ministry of Government Services, as well as providing services directly to the ministry.

With respect to the value-for-money audit, we do have, again within the ministry, as do all ministries, an internal audit team that is composed of the senior management team of the ministry. I'm a member of it, as are all my senior staff. We meet on a quarterly basis, and what we do is assess the risks of various operations within the ministry, and then, with the audit advisers and their team, work with them to find the programs that have the greatest risk in that particular year for different reasons. It could be, for example, with the addition of the 200 health and safety inspectors, a realization that in integrating them into the organization, from an administrative standpoint, there's a bit of a risk: How well have we done that? For example, that would be a program that in a particular year would have been offered up for an internal audit. So we do look at all of our programs. The audit staff meet individually with each of the assistant deputy ministers to review their programs and talk about them on a risk basis. Then, on the basis of those, that priority of risk comes to the audit committee and, from that, we develop the audit plan for the year.

So I would say that, on average, we have about six to 10 value-for-money audits conducted in each year; sometimes not completed in that year. Sometimes they do need a couple of years to actually complete the review. Then those results are presented back, first of all, to an assistant deputy minister who is responsible for that program, so that the recommendations can be reviewed and responded to by that assistant deputy minister and operational plans put in place to carry out the recommendations, and then all that is reported back to the audit committee.

Mr. Robert Bailey: Okay. That leads to my next question: Are the value-for-money audits made public and, if so, where can they be found? If not, could the minister or his staff please provide copies of these program audits for the last five years, dating back to 2003? Not today, obviously.

Ms. Virginia West: And perhaps that's my first undertaking for the day. We will follow up on that and provide information to the committee.

Mr. Robert Bailey: So are they made public?

Ms. Virginia West: I don't know if they're made public and presented in any particular place. I think they would be available under freedom of information, so that would be a consideration. I'd have to follow up on that, Mr. Bailey.

Mr. Robert Bailey: Okay, that's good. The next item I'd like to move to is back to the meat of the subject; I'm thinking back to that meat grinder—

Hon. Peter Fonseca: I want to forget about that.

Mr. Robert Bailey: —back to the occupational health and safety; actually, that part about the operating expenses. The Occupational Health and Safety Act, OHSA, is intended to protect the health and safety of Ontario workers. It applies to all workplaces and all business sectors in Ontario except for work activities of owners/residents in their own homes, farming operations etc. operated by self-employed persons without any

workers and workplaces regulated by the federal government.

By regulation under OHSA, the ministry enforces certification requirements for specific trades identified under the Trades Qualification and Apprenticeship Act and the Apprenticeship and Certification Act.

The first question is, according to the 2008-09 results-based plan, the Ministry of Labour enforces certification requirements for certain trades, and I won't go into the whole question. It's to do with certification and apprenticeship. Could the minister please specify which specific trades the plan is referring to?

Hon. Peter Fonseca: In terms of certification, I'll get that information for the member.

What I can speak to is our Occupational Health and Safety Act and the work that our 430 inspectors do. We've made sure that they've been very well trained. This is a process where, as we hired the 200 more inspectors since 2004, we wanted to make sure that they were the right inspectors and that they can work in targeted fields. We knew that's where we would be most effective and efficient, if we were able to send somebody in who understands the health sector or understands construction to go in there and work with businesses. We really want to work with businesses to get to a higher level and make sure they have a culture of health and safety, and yes, make sure that they're compliant with the act.

But it's a partnership, and this is why I believe we've been able to achieve such goals as the 20% reduction of lost-time injuries in the workplace without having this type of model in place. The credit goes back to the ministry staff and predecessors working with our partners' associations, all understanding how we can make OHSA, the Occupational Health and Safety Act, the best it can be in the workplace. And that's what has happened.

So when I talk about the results that we've achieved and how we've done that through targeted enforcement, especially in high-risk workplaces, it's to make sure that we can achieve the results. We didn't want to just spread it thin. We wanted to make sure that we did get the results. They were lofty goals, and we're going to continue with that program.

Mr. Robert Bailey: My second question: Could you please confirm for me that it is actually the Minister of Labour's responsibility to enforce the apprenticeship ratios? Is that your understanding?

Hon. Peter Fonseca: Actually, when it comes to the apprenticeship ratios—just recently, I believe that you heard the Minister of Training, Colleges and Universities. That falls under Minister Milloy's purview. He has been working on that to continue what we have today in Ontario, and that's a very stable, fair, balanced workplace that is making us competitive in the world market. Minister Milloy would have more of that information for the member.

Mr. Robert Bailey: According to the results-based plan statistical data in 1604, item 1, total field visits by the Ministry of Labour health and safety inspectors has

increased nearly 70%, while the total orders issued have nearly doubled, "increasing 94%." Do you have any idea how much revenue these increased orders would generate for the Ministry of Labour?

Ms. Virginia West: You mean with respect to orders or tickets?

Mr. Robert Bailey: Yes.

Ms. Virginia West: The revenue, of course, is not collected by the Ministry of Labour or by the government. It's received by the municipalities in which the offence is prosecuted.

Mr. Robert Bailey: Do you have any idea what that would be? Could you get me that?

Ms. Virginia West: We could see if we could find that out for you.

Mr. Robert Bailey: Minister, do you think that the increase—and this is kind of an odd question—in the number of orders issued has led to a decrease in the number of infractions? Do you think the punishment, issuing the orders, has led to a decrease in labour infractions?

Hon. Peter Fonseca: I think what the ministry has done and the inspectors have done, who are very well trained, as I just mentioned previously, is really the carrot-and-stick approach, where they have worked with businesses to raise the level of health and safety around best practices, and that is with some of our educational programs. That's the approach that I feel the ministry has taken; that's the approach that we will continue on.

0950

Of course we want to see our partners, all businesses, raise their standard in terms of the level of health and safety. When I say this, it is something that everybody can buy into. I feel there may be proprietary information for many businesses that they would never want to share. But in the short time, as I said, that I've been here, I've gotten out a little bit in the field, had the opportunity to speak with some of our stakeholders, some of the businesses, and one thing that they are always open to sharing are their best practices, even with their competitors, when it comes to health and safety. That's the approach we've taken. It's one where we're all working together to build a stronger Ontario. We know the businesses; once they have seen the light and have embarked on a path to making their workplaces healthier and safer, it translates into—bottom line, it's good for business and it makes them more productive, it raises morale, it lessens absenteeism in the workplace, it raises the level of value service quality, be it a product or a service that that business delivers.

I believe our inspectors go in with that in mind, helping business, because we want to be competitive. We want to make sure that we secure those jobs and bring more business to Ontario, make our companies that much more competitive. But, yes, they also have a job to do where they must make sure that businesses are compliant. They work with employers and employees to make sure that there is compliance, not just in that light but also, as

I said, to put forward the message of what this can do to make that business that much more competitive.

That's the approach that my predecessors have taken to this ministry. That's how I want to continue. Our Safe at Work Ontario program, our next phase, as we work to achieve new targets, is about changing the culture in some workplaces. I think we should celebrate many of the fabulous workplaces that we have across this province and work with our health and safety associations, ones like—I know the IAPA, the Industrial Accident Prevention Association, actually out in Mississauga, does just fabulous work. I, as the Minister of Labour, will be delivering that message to staff—I don't think they even need me to deliver the message; they already know what it is—and also to all our stakeholders—employers, employees, unions, associations—that we are all moving together. Especially in these challenging economic times, we have to have everybody rowing in the same direction.

Mr. Robert Bailey: Okay. I have a couple of more questions here that I was going to ask you, but if you think you've covered it, I'll move on. The next question was, what is the ministry doing to help businesses comply with these regulations? But if you think you've covered that, I'll move on. Do you have anything more to add to add that—how you're actually helping employers comply with these regulations and new orders?

Hon. Peter Fonseca: Like I said, I'm new to the ministry. I know a little bit about what they are doing in terms of a proactive way and working with cultural change, providing best practices, helping with joint health and safety committees in the workplace. This is so important, though, that we all embark on this path to excellence, that I am going to ask the deputy minister, or someone else from the ministry, to maybe share some more of the educational components to our ministry, as well as the mindset with which we have our inspectors go into a workplace and how they're working with employers and employees to raise the level.

Ms. Virginia West: Thank you, Minister. Maybe I can just refer to two approaches. Certainly, as the minister mentioned, with respect to our inspectors, we do expect them to be our front-line people responsible for helping business on the compliance side. Compliance, of course, as we referred to earlier, isn't achieved only by orders or prosecutions, but often by helping businesses understand what their responsibilities are and providing some level of support in that way.

Another initiative that we have under way—which actually is a government-wide initiative, led by the Ministry of Labour to date, on the inspections, investigations and enforcement secretariat—is developing, for example, a compliance information centre. We've done this for two pilot businesses, the auto body sector and the plastics sector—again, focused on small business and them understanding what their full requirements are as a business operating within this jurisdiction. So we do have compliance information centres that are posted on the website that provide all of the regulatory requirements and present them in a way that is understandable to that

business, not ministry by ministry or regulation or statute by statute, but by how they understand their business, which then allows them to link in to information on what they're required to do, links them to forms—in some cases electronic forms—to file as required by that particular ministry. So we are aware of the need as well to help businesses understand what their requirements are and can support them towards compliance.

Mr. Robert Bailey: I'll stay in that same enforcement area. Could the minister or the minister's staff please provide for myself and the committee any historical data back to, say, 1995, regarding the number of offences/charges cited annually by the Ministry of Labour for infractions of apprenticeship ratios? I travelled to eastern Ontario a number of times and to some other centres in Ontario, as opposed to my riding, and something I hear there is about the apprenticeship ratios, how employers could staff jobs but for certain reasons they can't; because of the apprenticeship ratios they're unable to do that. They can put people to work, but because of the apprenticeship ratios that are being enforced, they can't do that. Does anyone have any idea what those stats would be, or could they get back to us with those?

Ms. Virginia West: The Ministry of Labour does do enforcement of the Trades Qualification and Apprenticeship Act; it determines whether the people who are on the site have their proper certification and requirements. But the ministry does not do enforcement on apprenticeship ratios, nor is it responsible for that. That's the Ministry of Training, Colleges and Universities.

Mr. Robert Bailey: But when the Ministry of Labour officers are there, they wouldn't check that to see if they're actually registered and then—

Ms. Virginia West: Okay, so in terms of their requirements as currently required by TCU—

Mr. Robert Bailey: Yes.

Ms. Virginia West: We'll follow up on that.

Mr. Robert Bailey: Okay, would you? Thank you.

The last question I have on that is, could you tell me—or could you get back to us on—how much the Ministry of Labour orders have increased between 1995 and 2003 respectively? You know, the labour orders? I know you won't have it at your fingertips.

Hon. Peter Fonseca: As the member can appreciate, I don't have that historical knowledge here. It's not in front of me, but I'm sure the ministry can help in getting that information for the member. So we'll get you that.

Mr. Robert Bailey: Okay. I've got two or three minutes left, but I think I'm just going to wrap up and then let my esteemed colleague, Mr. Miller, take over. I'd like to thank you and your staff for coming here today. I think we have another session tomorrow.

The Chair (Mr. Tim Hudak): Well, you know what? It will be this afternoon from 4 to 6 and tomorrow from 4 to 6.

Mr. Robert Bailey: This afternoon? Okay. I'll have to get some more questions. But anyway, I look forward to seeing you again. Thank you for being so forthright. I think the goal for all of us is worker safety. I've got

children and family who work in labour in different employment areas too, so I'm just as concerned as the minister and the department are with safety. So thank you again.

The Chair (Mr. Tim Hudak): Terrific. Thank you, Mr. Bailey. That will conclude your time.

To the third party: Mr. Miller, you have 30 minutes.

Mr. Paul Miller: I also would like to welcome you, Minister, to your new portfolio and to welcome your staff today. Bob is the nice guy; I'm the bad cop, okay? I'll be asking questions, and don't take it personally if I cut you off and want a yes or a no, because I don't want you to use up all my time.

1000

The Chair (Mr. Tim Hudak): The way we proceed is—

Mr. Paul Miller: Through the Chair—sorry.

The Chair (Mr. Tim Hudak): Yes, through the Chair, and if members ask an open-ended question, I'll give the minister and staff time to respond. If it's a direct yes or no question, I'd ask them to keep their responses short.

Mr. Paul Miller: Thank you, Mr. Chair, and thank you, Bob, for that lovely compliment. That's very nice of you.

Minister, you shared a little story with us about your experience working in a hospital and preparing food. Well, Minister, I would love to have had you as my apprentice for over 30 years at Stelco as the industrial mechanic welder-fitter, because I've had the misfortune of seeing fatalities myself, actual fatalities. We've seen a lot over the years, and we have a long way to go yet in safety and health.

Now to the good stuff. I'm starting with experience rating. You know that that's been an important issue with all of our user groups, plus the OFL. We don't like experience rating, the whole program. We think it should be eliminated. The OFL advises that they asked the previous Minister of Labour how many companies are not in compliance with the law by not having certified joint health and safety committee members, but received experience rating rebates from the WSIB, and the previous minister stated that he would be interested to know this and would look into it. Did the ministry follow up with this request for information from the WSIB, and what were the results? Yes or no?

Hon. Peter Fonseca: I thank the member for the question. I will have to check with the ministry and with my predecessor. I'm glad we're starting with such a harmonious climate in committee. One of the toughest parts of this job—and the member brought it up—is fatalities. Fatalities in the workplace are very sobering—

Mr. Paul Miller: Mr. Chairman, I think we're getting off topic. I asked about experience rating.

Hon. Peter Fonseca: When it comes to experience rating, the member is well aware that conducted through the WSIB, the Workplace Safety and Insurance Board, which is an arm's length agency of the Ministry of Labour—I understand that they are doing an internal

review of experience rating. I brought in some outside expert consultants to look at that program, but what we do here at the Ministry of Labour is, we make sure that we continue to make progress when it comes to—

Mr. Paul Miller: Sorry to interrupt you, Minister, but that wasn't the answer I was looking for, and really, you're not answering the question. So could we move on to the next question. I'll take that as a no, you haven't gotten back to us on it.

The next question, and I'm not trying to be rude, but I have a lot of material here that I have to get in, and I've only got half an hour.

Hon. Peter Fonseca: Mr. Chair, the experience rating program falls under an agency of the Ministry of Labour, which is arm's length—

The Chair (Mr. Tim Hudak): I think Mr. Miller has indicated that he's satisfied with the answer and doesn't want any further information on that topic, and he wants to proceed to his next question.

Mr. Paul Miller: Next question—and just a point of information: You do have a say over experience rating and how they run it; it's not arm's length. You can order an audit; you can do a lot of things.

The WSIB announced that it will not give rebates to any employer in the year of the fatality. Will you go further than that and order the WSIB, under subsection 167(1), not to give rebates to any employer who is in violation of occupational health and safety acts? What I'm saying here, Minister, is that you have rewarded companies that have been in violation of the safety and health act. You've given them rebates. None of them should get rebates if they're in violation, and this one, a one-year moratorium you've given them to come back after a fatality, and they're back into the rating system, is unacceptable. The fines are very small. When are you going to increase the fines on these companies and let them take notice?

Hon. Peter Fonseca: Once again, I thank the member for the question. The program does fall under the WSIB, and I do understand that they have put a moratorium on any businesses that have had a fatality in the workplace. They are doing this internal review of the experience rating program. The chair of the WSIB, Mr. Mahoney, was here, I believe, two weeks ago, to present in front of the Standing Committee on Government Agencies, and had the opportunity to speak to this. One thing I can say to the member is that we can, I'm sure, provide all the information to get in contact with Chair Mahoney or any of his WSIB staff who may have some of the intelligence that you're looking for.

Mr. Paul Miller: Thank you. My next question: Minister, you mentioned in your presentation how proud you were of the records of reduced accidents in the workplace and the ability to give rebates to companies that are—it's come to my information and understanding that a lot of these companies are actually offering incentives to their employees for safety, ranging from motorcycles to cars to boats.

The problem with that is it's putting peer pressure on fellow workers. In other words, I get injured, and a worker says, "Oh, well, Paul, you can't report that because you're going to ruin my chance to win a Harley at the end of the month, if any of these things are reported." I can name several companies that are doing this.

What it does is, the person does not report the accident because he doesn't want to ruin his buddy's chance of winning a boat or something at the end of the month. So what happens is, he goes on to his next job, and he still has the injury. When he goes to report, if he has a recurrence of that injury, then the WSIB says, "Well, I'm sorry, sir. You did not report this. We don't have any record of the injury that you had working for that company. In fact, they had a clean record that month."

This is unacceptable. It's going on in a lot of companies in Ontario. Is your ministry looking into these kinds of violations? They're offering rewards for not reporting accidents. What is going on? I'll get you the name of some of the companies. What is going on? A brand new fishing boat was outside one gate. This is what you could win at the end of the month, Minister. You would win this at the end of the month if you don't report Mr. Miller's accident, or if he doesn't report it: "The cleaner the safety record is, we'll give you...."—and you know why they're doing it, Minister? Because they get a big rebate from the WSIB at the end of the year for not reporting accidents. The fewer accidents, the bigger the rebate. It's disgusting, and it's got to stop.

Mr. Phil McNeely: Clarification, Mr. Chair?

The Chair (Mr. Tim Hudak): Clarification.

Mr. Phil McNeely: I think the direction of the questioning is to an issue that is not in these estimates. It's the WSIB and how the WSIB is run. I don't think that this is the proper place. The WSIB was in here a couple of months ago for those questions.

Mr. Paul Miller: On a point of order, Mr. Chairman—

The Chair (Mr. Tim Hudak): You know what?

Mr. Paul Miller: It does—

The Chair (Mr. Tim Hudak): Well, we're using up your time—

Mr. Paul Miller: Because it's part of the rewards system, it is part of this situation. You're paying people money in rebates who are doing these types of things, so it's definitely part of this—

The Chair (Mr. Tim Hudak): Mr. McNeely, thank you for the point. This is traditionally time for the critics to bring forward concerns that they have about the ministry and the estimates before them. I do tend to find that questions about agencies that report to the ministry are in order. Sometimes, if there are detailed questions, they can't be answered, obviously, but I think in terms of oversight responsibilities for the ministry, Mr. Miller's questions are very much in order. We'll proceed.

Mr. Paul Miller: Thank you, Mr. Chair. My next question: Will you use your powers under section 168 to order the WSIB to conduct a value-for-money audit on the experience rating system?

Hon. Peter Fonseca: Mr. Chair and the member, as I've stated—

Mr. Vic Dhillon: A point of order—

The Chair (Mr. Tim Hudak): Well, folks, I'll listen to you, but I don't want to take too much time.

Mr. Vic Dhillon: Thank you, Chair. Again, I don't think that's a fair question. The WSIB is an arm's length body, and to point-blank ask the minister to respond to such a question we think is not in order.

Mr. Paul Miller: Mr. Chair, the member is out of order. This ministry governs the WSIB. It's not out of order, and I don't know where he's coming from. He's using up my time, sir.

The Chair (Mr. Tim Hudak): Thank you, Mr. Dhillon and Mr. Miller.

Mr. Vic Dhillon: That's a valid question, then—

The Chair (Mr. Tim Hudak): As I mentioned earlier, I don't want any other—

Mr. Vic Dhillon: Chair, when we have WSIB questions to the ministry, we're asked—that the ministry cannot interfere, and so we have to be very careful—

Mr. Paul Miller: Getting back to my question—

The Chair (Mr. Tim Hudak): Let me—

Mr. Vic Dhillon: —when we are talking about instruction from the minister to the WSIB.

Mr. Paul Miller: It's my half-hour with the minister.

1010

The Chair (Mr. Tim Hudak): Folks, let's calm down here. I've ruled this question is in order. The minister can answer as he sees fit. If he wants to give an answer, Mr. Dhillon, he's welcome to do so.

Mr. Paul Miller: It's a very straightforward question. I'll repeat it.

The Chair (Mr. Tim Hudak): I am adding time back in for these interruptions at this point, because we're belabouring the point of order here. If the minister disagrees with Mr. Miller's interpretation of the legislation, please say so. But the question is very—

Hon. Peter Fonseca: Mr. Chair, what I could tell the member is that the WSIB is an agency of the Ministry of Labour. It is arm's length. They do have the statutory power to implement their programs, their policies, their procedures. They're doing that. I understand that they're conducting an internal review of the experience rating program. I think that we should allow them to do their work.

I understand when Chair Mahoney presented just a couple of weeks ago—and the question could have been posed to Chair Mahoney—they talked about their initiatives and what they have under way. They have a program called the Road to Zero.

Mr. Paul Miller: Mr. Chairman, this is getting off topic. This is not my question. My question was very simple and straightforward. Minister, will you use your powers—not the WSIB; your powers—under section 168 to order the WSIB to conduct a value-for-money audit on the experience rating system?

I don't want to hear about what they did three weeks ago. It's a direct question, and I need an answer.

Hon. Peter Fonseca: Mr. Chair—

Mr. Bob Delaney: Point of order, Mr. Chair.

The Chair (Mr. Tim Hudak): Yes?

Mr. Bob Delaney: The member is in fact out of order for asking the Minister to make policy while he is in estimates committee. If the minister chooses to make a ministerial statement or to introduce a bill before the House, that is his prerogative. The member is welcome to ask him questions on the estimates of his ministry, but not to ask him to make policy on the fly.

The Chair (Mr. Tim Hudak): As I've said—and I'm not going to tolerate another point of order on a decision I've already made—I find Mr. Miller's questions in order. I think, Mr. Miller, the minister should be given a chance to respond as to why he is not—I think he's answering no to your question.

Mr. Paul Miller: I'll take it as a no, then.

The Chair (Mr. Tim Hudak): I think he should be given an opportunity to explain his view of the WSIB, which—

Mr. Paul Miller: Well, it's not answering the question, Mr. Chair, with all due respect to you. I would like for him just to say yes or no. You won't use your powers.

The Chair (Mr. Tim Hudak): Again, you can ask that question, and the minister can respond as he sees fit. I think we have to agree it's a complex question to ask, so I'm going to give the minister a chance to respond.

Hon. Peter Fonseca: I say to the Chair and the member, there is this internal review taking place right now. Let's wait and see what comes from this review. That's what I can say to the member.

Now, the member has been bringing up hearsay and talking about scenarios, about fishing boats and all sorts of other—

Mr. Paul Miller: Here we go again, Mr. Chair.

The Chair (Mr. Tim Hudak): Let him finish his—

Mr. Paul Miller: We're off the topic.

The Chair (Mr. Tim Hudak): You know what? I'm going to let him finish his answer.

Mr. Paul Miller: I've already passed the fishing boat. Why are you going back to it? I have another question to move on to.

The Chair (Mr. Tim Hudak): Let the minister respond to this question.

Mr. Paul Miller: He's not answering my question. He's talking about something I've already gone over. That's wasting my time.

Mr. Vic Dhillon: He's not wasting your time.

Mr. Paul Miller: I have half an hour. No one was talking to you, sir.

The Chair (Mr. Tim Hudak): Okay, folks, the fewer interruptions we have, the quicker we can get through the estimates and stick to the issues before us. I'll allow the minister to respond on this WSIB question. He's talking about a review—

Hon. Peter Fonseca: I think it was important. If the member wants to bring up scenarios like this fishing boat, one thing that I can say about the dedicated staff

and inspectors of the Ministry of Labour is that the member should call the Ministry of Labour and ask for those inspectors to go in and investigate. That's what they're there for. But rather than just bringing up scenarios without having facts before the member, I think we're here to discuss the facts and—

The Chair (Mr. Tim Hudak): Okay, thank you. We'll now move on to the—

Mr. Paul Miller: Can we move on to the next one, Mr. Chair?

The Chair (Mr. Tim Hudak): Move on to the next question.

Mr. Paul Miller: Thank you, Mr. Chair. On Saturday, February 16, as part of the Working Wounded series, the Toronto Star did a story on temp agencies being allowed to keep spotless ratings even if poorly trained temp workers are injured or killed. The chair of the board is quoted in the article, stating that he would meet with the provincial ministry in two weeks and propose a change to legislation that would close the loophole.

Did that meeting take place? What actions are being taken to close that loophole?

Hon. Peter Fonseca: I can't speak to that particular piece that came out—I believe the Toronto Star is what the member said—in February of this past year and what was asked of the ministry.

What I can say is that we have been doing consultation on temporary employment. I want to thank my hard-working parliamentary assistant, Vic Dhillon, for bringing this very important issue to light in the chamber. As we all know, it's something that we want to address. We know that there are vulnerable workers out there. We want to make sure that those temp agencies are abiding by the Employment Standards Act, abiding by the Occupational Health and Safety Act. All temp workers, foreign workers, all workers in Ontario fall under those acts and are provided the same rights and responsibilities as any domestic, full-time or part-time employee.

The Ministry of Labour has 144 employment standards officers who are out there to make sure that workplaces, temp agencies and others are abiding by the ESA. I think this is good news. I look forward to doing more work with my parliamentary assistant on the temporary employment front. It is part of our workplace landscape now across Ontario, Canada and in many other jurisdictions of the world.

In regard to the member's specific—

The Chair (Mr. Tim Hudak): Are you satisfied?

Mr. Paul Miller: I'm satisfied.

Hon. Peter Fonseca: In regard to the member's specific ask, I'd have to—

The Chair (Mr. Tim Hudak): I think, Minister, he's satisfied with the answer.

Mr. Paul Miller: Thanks, Minister.

Hon. Peter Fonseca: You're welcome.

Mr. Paul Miller: Next question: On December 10, 2003, the board of directors at the WSIB approved a report on coverage that stated, "35% of workers in Ontario are not covered by WSIB." The report recom-

mended coverage for all workers in this province. The current chair, Honourable Steve Mahoney, when questioned on this issue in front of the Standing Committee on Government Agencies on Friday, September 12, 2008, stated, "I should say, at the risk of getting myself into a bit of trouble, that I frankly support mandatory coverage for everybody who works in the province of Ontario. We only cover 67% of the workforce, unlike BC, where I believe it's 98%" of the people that are covered.

Does this minister intend to take action to protect workers in all sectors, as well as independent operators under the Workplace Safety and Insurance Act, to ensure financial sustainability of this system?

Hon. Peter Fonseca: Learning a little bit more about the Workplace Safety and Insurance Board, it is one of the largest insurance companies in North America. It has over 4,000 employees. They deal with the benefits of those who are insured under the—

Mr. Paul Miller: With respect, Minister, I asked you, are you going to cover the rest of the people? I don't want to hear about the workforce numbers, how many people you employ. I want to know if you're going to cover 100% of Ontarians.

Hon. Peter Fonseca: I was just speaking to those who are insured under the WSIB and how the WSIB functions as an insurance company for those who fall under the WSIB.

Chair Mahoney may have made some comments here. I'm unaware as to what he was speaking to in terms of the coverage. What I can say is that we have been working diligently as a government to make sure that those who are covered under the WSIB receive their benefits. We've made improvements, I understand, to the Friedland formula, which was brought in under the NDP government and then under the Conservatives. For too long there was an erosion of benefits. We have reversed that trend and made some progress in helping the workers who are covered under WSIB with their benefits—

Mr. Paul Miller: Sorry, Chair, with respect to the minister, I don't believe you're answering my question. I asked you if you're going to cover the rest of the people in the province who aren't covered. Just a yes or no will do, and I can move on to the next question.

The Chair (Mr. Tim Hudak): Minister, if you have anything to add, please add. If you're satisfied with the answer given, we can proceed—

Hon. Peter Fonseca: I'm pretty satisfied with the answer I've given. What I will say to the member is, I'd ask the member to contact Chair Mahoney, ask him for his insight and maybe some of the comments that he had made, but the policy sits with the WSIB.

Mr. Paul Miller: I keep hearing this. I'm not quite sure what role your ministry plays because you keep saying the WSIB is an arm's length agency. So what impact do you have as a minister? I've studied some of the statutes. You do have the ability to intervene, but you keep telling me, and I've been hearing this from the former Chair, Brad Duguid, that you don't have any say. They do whatever they want but they fall under your

ministry. I'm confused about what your role and your ministry's role is. Are you just an overseer who doesn't do anything? Are you like the Queen: You sit there and let everyone else handle it? I'm not sure. I'm getting confusing messages from you. So I really feel that this is "Pass the buck." I've had this since I've dealt with the labour ministry: Pass the buck to the WSIB. The WSIB says it's the ministry that makes the decision and you say it's they who make the decision. I'd like to know who makes the decision and whom I have to talk to.

1020

That's just a statement. Thank you, Mr. Chair. I'll move on to the next question. In October—

Hon. Peter Fonseca: Mr. Chair, if the member feels—

The Chair (Mr. Tim Hudak): You'll have 30 minutes to respond.

Mr. Paul Miller: Thank you. In October of 2007, the OFL released a report entitled *The Perils of Experience Rating: Exposed!* This report exposed the outlandish rebates given to employers under the WSIB experience rating system who were fined by your ministry—even though you say you have an arm's length deal—for killing workers. The OFL advised me that they gave a copy of that report to senior ministry staff on December 11, 2007, at the annual injured workers' Christmas demonstration at 400 University Avenue. The OFL also advised me that the senior ministry staff and WSIB officials were present when the OFL spoke at the demonstration which outlined the content of the report. Why is it that the ministry and the WSIB did nothing with this information until the Toronto Star exposed this information in April of this year?

I was at that demonstration, Mr. Minister, and I saw the same thing transpire, and nothing happened. Nothing. They didn't get back to us. The did absolutely nothing. Disgraceful.

Hon. Peter Fonseca: Mr. Chair—

The Chair (Mr. Tim Hudak): Would you like a response?

Mr. Paul Miller: I'd like a response. Sure.

Hon. Peter Fonseca: The member keeps coming back to a government agency that is at arm's length from the Ministry of Labour, an agency that presented here, but two weeks ago, to the Standing Committee on Government Agencies, where he would have had all the opportunity to pose a question like this. If the member in his earlier question was talking about, what have we been doing?—if 54,000 less workplace injuries is not progress, then I don't know what progress is, member.

Mr. Paul Miller: Because they're getting rewards for not reporting it.

Hon. Peter Fonseca: And to know how that has impacted those families and communities across this province—our bottom line: the saving of \$5 billion to claims—I don't know where the member is coming from.

Mr. Paul Miller: Obviously, you're not listening to my question, Minister. I was coming from a direct quote from your WSIB chairman, with whom you say you have

an arm's length relationship. Well, I'm not quite sure you do, because there are statutes that say that you can overrule. You can intervene. You can order an audit. You don't do these things, and that's why this system is decrepit. It's archaic. It's old. It needs to be revamped, and your people aren't doing it.

Next question: Injured workers' benefits have eroded by 20% over the last 10 years due to inflation. Last year, your government gave injured workers a 2.5% increase at the time that MPPs gave themselves a 25% increase. Will your government give injured workers the justice they deserve and give them the full cost-of-living coverage now?

Hon. Peter Fonseca: I say to the member it's really rich that the member would say this, when it was under his party that they brought forward a—

Mr. Paul Miller: That's not answering the question, about my party that happened 10 years ago, Mr. Chair, with all due respect. Let's talk about the present.

Hon. Peter Fonseca: Mr. Chair.

The Chair (Mr. Tim Hudak): Folks, I—

Mr. Vic Dhillon: Why did you take the pay raise?

The Chair (Mr. Tim Hudak): Mr. Dhillon, I ask you—

Mr. Paul Miller: Why is Mr. Dhillon speaking?

The Chair (Mr. Tim Hudak): Folks, stand down. I remind members that this is an opportunity for members, both of the opposition and the government, to ask questions of the minister. As I've said, if there's a short question, I do expect a short response; if there's an open-ended question, a longer response. If we get into a lot of the partisan back and forth, while it may make good theatre, it's probably ultimately not conducive to getting through a lot of the questions.

Mr. Miller did ask, with respect to using the statutes, if the minister is going to use that with WSIB. He did talk about the MPP pay raise. Mr. Fonseca is responding in kind. So why don't we just get back to the facts at hand? I think the question on the floor is with respect to statutes. Mr. Miller has cited if the minister plans to use those or agrees with his—

Mr. Paul Miller: Thank you, Mr. Chair. I can repeat the question that I just asked.

The Chair (Mr. Tim Hudak): I think he's going to take it.

Mr. Paul Miller: The 20%.

Hon. Peter Fonseca: In all fairness, the member spoke to erosion here, and we have to look back at where the erosion started. The erosion started in 1994 under the member's government and party. It continued—

Mr. Paul Miller: Point of order, Mr. Chair: I thought you stated your position, and here we go again.

Hon. Peter Fonseca: That's what the member spoke to. The member spoke to erosion, Mr. Chair.

Mr. Paul Miller: The minister is going partisan. This is an estimates committee. It's not inside the Legislature.

The Chair (Mr. Tim Hudak): Folks—again, Mr. Miller, I'd call you to order. Mr. Dhillon, I'm going to call you to order. Let's proceed.

I can't tell you how to answer questions. They can answer questions or ask questions how they see fit. I just, as Chair, will recommend that maybe we take a deep breath, a step back and consider the seriousness of these questions. They are important questions to be responded to, and perhaps if all members of the committee could set aside a bit of the partisanship and get back to the facts at hand.

Minister, if you would kindly respond to Mr. Miller's question with respect to the statutes.

Mr. Vic Dhillon: I have a point of order, Chair.

The Chair (Mr. Tim Hudak): What's your point of order?

Mr. Vic Dhillon: I don't know where in our directions for committees it states that a member can direct a minister to answer a question the way he would like. Obviously, the minister has explained that he's been on the job for 11 days, and with his innuendo—

Mr. Paul Miller: Point of order, Mr. Chair: He's taking up my time—

Mr. Vic Dhillon: He keeps interrupting the minister. He's not giving the minister a fair opportunity to reply.

Mr. Paul Miller: I asked a question; I'm entitled to an answer.

Mr. Vic Dhillon: No one can direct the minister as to how he should answer the question. He keeps interrupting. Again, he's wasting—

Mr. Paul Miller: Because I'm not getting answers.

The Chair (Mr. Tim Hudak): Mr. Miller, I don't think interrupting back and forth helps. Mr. Dhillon, with all due respect, I am the Chair of the committee and I will continue to Chair the committee—

Mr. Vic Dhillon: According to the statutes.

The Chair (Mr. Tim Hudak): I hope you respect—

Mr. Vic Dhillon: Absolutely.

The Chair (Mr. Tim Hudak): —the one who has a hell of a lot more experience than the one raising the point of order. I'm chairing this committee.

That is my advice on how to proceed going forward. I'll ask Mr. Fonseca to respond to the question. Mr. Miller then proceeds with his next question.

Hon. Peter Fonseca: Thank you, Chair.

What the member is asking is to set policy here on the fly at this standing committee. I do believe that the questions the member is asking do not pertain to this standing committee. There was opportunity for him to ask those questions of the chair of the WSIB.

I do want to make a point here. In our budget of 2007, we helped address this situation of erosion. We enhanced the benefits to more than 155,000 injured workers across this province by 2.5% on July 1, 2007, another 2.5% increase happened on January 1, 2008, and we will be looking at a further 2.5% increase, I say to the member, that's going to take effect on January 1, 2009. This exceeds the current rate of inflation.

Mr. Paul Miller: Thank you, Chair. Next question, deeming: Last summer, Bill 187 was passed, which was supposed to eliminate deeming. The WSIB created a new policy that changes the word "deeming" to "deter-

mining,” and that actually creates more ways of deeming. Will you direct the WSIB to ensure that injured workers’ benefits are based on their actual wages, post-injury, and not on a phantom job that they don’t even have? Is the minister familiar with deeming?

Hon. Peter Fonseca: I am somewhat familiar with deeming. What I say to the member again is that the member is asking me, as the minister, to intervene with an agency that is arm’s length from the Ministry of Labour, that has the statutory powers and authority to be able to set their programs, their policies and their procedures. The member keeps continuing along this path. What I ask of the member is to look at the progress that we’ve made. If he has some recommendations that could help in providing for a healthier and safer Ontario workplace—

Mr. Paul Miller: I could write a book for you.

Hon. Peter Fonseca: I ask the member to write the book. I’m always interested in some good reading and I’ll be looking forward to it.

Mr. Paul Miller: I’m confused again. This is happening a lot today. The minister is saying that they’re at arm’s length, but he says “we”—he uses that a lot—“we’ve done this; we’ve created this; we’ve done that.” If they’re an arm’s length agency and you can’t touch it, and you can’t tell them what to do under statutes, then what is your ministry doing? Why are you even involved? But I don’t find that. When I look in the statutes, you are able to intervene, and you keep saying you’re not. You keep saying they’re arm’s length. I heard that from Mr. Duguid, the same story: It doesn’t cut it. You do have the ability to intervene, and you’re not using it.

Next question—

The Chair (Mr. Tim Hudak): A quick question.

1030

Mr. Paul Miller: How much time have I got?

The Chair (Mr. Tim Hudak): Just under a minute.

Mr. Paul Miller: Okay, I’ll end it at that. I’ve got lots more, and you’ll be hearing more from us, Minister. I understand it’s rough, but we have to ask these questions. Don’t take it personally. Some people do; that’s unfortunate, but we have to ask these questions. Thank you very much for your patience and time.

Hon. Peter Fonseca: Thank you.

The Chair (Mr. Tim Hudak): Minister, you have 30 minutes to wrap up. We do have question period at a quarter to, so what I might suggest is, do you want to take 10 minutes now and then your subsequent 20 minutes in the afternoon session? Would that be all right? That will give you time to prep for question period. If we put off the time, that means we run into an additional day.

Hon. Peter Fonseca: I think we’re just going to wrap up now. We’ll come back and—

The Chair (Mr. Tim Hudak): Okay, that means you have 15 minutes. I do have to recess the committee at 10:45 for question period. So you can take 15 if you like, and then the subsequent 15 this afternoon.

Hon. Peter Fonseca: Oh, you’re saying 10 right now to wrap up?

The Chair (Mr. Tim Hudak): Yes, just to give you five minutes to get ready for question period.

Hon. Peter Fonseca: I want to thank all the members of the committee for bringing forward some very important issues and help in terms of how we can better help all Ontario workers. My role in the ministry is to champion the programs that we have and the programs in the light of the stage that we’ve reached and how we are moving forward. I see that we’ve reached a new plateau when it comes to health and safety in the workplace, when it comes to reducing workplace injuries, when it comes to labour relations. We have a stability, a fairness, an open and working environment that I feel we haven’t had in a long time. When it comes to labour relations, it was amazing when I saw that for over 95%—actually, this past year, 97%—of all our labour relations, our collective agreements are done without any work stoppage or strikes. We continue to work with employees and employers to make Ontario the most competitive that it can be in the world.

As I said earlier in my remarks, the number one resource that we have in this province is our people. So if that’s our number one resource, where are investments going? What are we protecting? We’re protecting our people. That is what our sole focus is: to make sure that they have the education, the skills and the knowledge, that they get opportunities in school, that we have our health care system in place to be able to take care of this number one resource, our people, when they get hurt, injured, ill, sick.

We also have some challenges before us. We have some challenges with the economy. Many things are outside our control, but there are some things that are within our control, and what’s within our control is the way we approach health and safety in this province. To find that we have saved \$5 billion because of not having those 54,000 workers injured over the last four years—that is a huge number. I thought of all the good that it could do in my community, in your community and in all our communities when it comes to health care and our priority areas as a government: education, infrastructure, making sure that we continue to build our communities.

This is something that has buoyed me, and it’s a real opportunity for us. We’re always looking for opportunities where we can be more effective, efficient, productive, looking at being able to save dollars so that they can be used on other priority initiatives.

I’ve learned this by fire: When you’re sitting in question period in the Legislature, in the chamber, it seems like every question, in some way, shape or form, touches labour. It keeps me on my toes as I’m in there.

I relish the fact that we have such a great ministry that is fiscally responsible, is prudent, provides value to Ontario’s workers and, as I said, saves us dollars, saves us hardship and makes sure that this is the type of place where we all want to live.

It takes me to many of the stories. Since being appointed minister, I think back to—actually, this goes

back to another meat-cutting incident. My second uncle was a butcher; he worked in a meat plant. If anybody has ever been to a meat plant, you'll find that that is a really tough place to work. There is a lot of danger there. He lost two fingers at the meat plant. Every time I see him when he comes over or visits, now it touches me in a different light, as Minister of Labour. On my BlackBerry, I'm finding that we just had two fatalities over the last few days here in the province of Ontario. Two workers did not have the opportunity to go back home to their families. I can't even imagine the tragedy that that brings to a family. That drives me and I'm sure it drives the deputy minister, our senior team here, as well as all the members of our family at the Ministry of Labour. We work diligently to be able to provide those best practices, to get out there in the workplace to make sure that everyone understands how important that is.

I can even think about my days as an athlete. Some of you may not know I had the opportunity to proudly represent Canada in the Olympic Games in 1996. You think, well, that's also a competition. You're also trying to do the best you can, the same way a company tries to provide the best product or service. When I first got into running, I'd just get out there and run hard. There might not be any warm-up or any type of prevention to stop injury from happening, and often I would get injured earlier in my career, more so than later, when I understood the importance of taking those preventive steps so that you could become better and stronger, to be able to have a better performance, to be able to produce a better product, to be able to provide a better service, to be happy, morale—and it works with everybody.

If you think about a professional team like the Toronto Maple Leafs, you'll see that they spend a lot of time on the health and safety of their investment: those players. We want all businesses to understand when they make investments—and a lot of their investments are being made in their people.

Can you imagine putting up a hydro tower without having a plan, without taking a lot of the measured steps to make sure it goes up right so that none of those highly skilled, experienced workers get hurt, to make sure that there's integrity in the project with your people and that tower as it goes up? Because, if that tower comes down, there are costs to everybody. There are human costs, there are costs to the business, there are costs to the community—it may be out of power—there are costs to the reputation of that particular business. That's what we're working towards here at the Ministry of Labour. As I said, it's a wonderful role: I'm delighted; I'm excited. I have big shoes to fill. My predecessors have done just an outstanding job—Minister Duguid, Minister Peters, Minister Bentley and those before them—but I also see that a lot of progress has been made and we are going to continue along that path.

Mr. Chair, I just wanted to thank the members for this experience here, to be here, and I know we're going to come back later this afternoon. I'll try to provide as much detailed information as I can, and we do have our

ministry staff here to provide any more that is necessary and to get back to the members with any of their queries.

The Chair (Mr. Tim Hudak): Terrific. Let me just do a quick wrap. Thank you, Minister. You do have 20 minutes in the afternoon session if you so choose.

Hon. Peter Fonseca: Okay.

The Chair (Mr. Tim Hudak): You have 30 minutes to respond. If you don't want to use it, then we'll go to the official opposition for their first 20-minute segment.

For members, as we come back here this afternoon—a couple of thoughts. Questions on the WSIB, I find to be very much in order. I mean, there are \$170 million in operating funds allocated to this ministry, and the notion that none of those dollars is used to work with the WSIB is rather specious. I have been in this chair in the past and allowed, for example, questions on the OLGC to the Minister of Public Infrastructure Renewal.

The minister is free to respond as the minister so chooses and some detailed questions, obviously, the minister can't answer because the WSIB is not before the committee today. Mr. Miller's questions on, will the minister invoke these statutes, I find to be in order, and the minister then—obviously, this is a complex issue. It's an arm's length agency, as he said. I do allow the minister time to respond with his views on Mr. Miller's request. So those things are in order.

Secondly, I'm just going to ask members—there's no doubt that workplace health and safety issues are important and they raise passions in the members here around the committee. So that's not surprising. I do accept that, and that does happen here at committee from time to time. Frankly, the personal needling back and forth—Mr. Dhillon and Mr. Miller particularly, and, Minister, a little bit yourself—I think is unhelpful and takes us away from our time. So passion is fine, and there are important topics to discuss, but I will ask that as members come back to this afternoon's session, let's keep that needling to a minimum—or gone—and we'll concentrate on the issues at hand.

Folks, thanks very much. We're adjourned, and we'll be back here at 4 p.m.

The committee recessed from 1041 to 1600.

The Chair (Mr. Tim Hudak): We'll call the Standing Committee on Estimates back into session. We have approximately five and a half hours left—

Interjection.

The Chair (Mr. Tim Hudak): Sorry. We have six and a half hours left in the consideration of labour. We don't want to rush it. Boy.

Minister, you had about 20 minutes remaining in your final comments. Did you want to use those 20 minutes at this point in time?

Hon. Peter Fonseca: Yes.

The Chair (Mr. Tim Hudak): The floor is yours, and after that we'll begin our regular rotation of 20 minutes, beginning with the official opposition.

Hon. Peter Fonseca: I just want to start off my comments by thanking the MPPs who posed most of the questions earlier this morning, and that is Mr. Bailey and

Mr. Miller, Mr. Bailey still being here, and Mr. Miller—if you could just let him know my comments towards his questioning this morning.

This morning, I didn't get a chance to fully discuss some of the responsibilities of my ministry, and I want to take a moment now to talk about my ministry's oversight of labour relations in the province of Ontario.

Our labour relations and internal administration program makes it possible for effective labour relations dispute resolution, thereby supporting fair and stable workplaces and increasing productivity. Our government understands the importance of stable labour relations. Fair and stable labour relations are the cornerstones of Ontario's economic success, and I couldn't agree more.

That's why our government has restored the principles of balance and fairness to Ontario's labour laws. Through Bill 144, there was a restoration of powers to the Ontario Labour Relations Board to let it effectively handle situations where an employer or union violates labour law during an organizing campaign. The restoration of these powers helps to ensure the certification process works fairly for both the employees and the employer.

The Ministry of Labour promotes a constructive labour relations climate and fosters productive workplace relationships in Ontario. The ministry's labour relations activities focus on settling workplace disputes, assisting in the settlement of collective agreements and producing collective bargaining information.

Our government has a great deal of respect for the collective bargaining process as a mechanism to resolve labour disputes. It's important that we encourage a stable labour relations environment in which parties are able to negotiate with each other in a spirit of mutual respect and trust. Over the past few years, more than 97% of negotiations have resulted in settlements, with no work stoppages. That's an outstanding result and one that we all should be very proud of.

During our time in office, we've seen the lowest number of work stoppages in the last 30 years. The Ministry of Labour continues to meet its performance commitment of over 95% of collective agreements in Ontario settled without a strike or lockout.

We've come a long way, and our success is due in part to our government's approach to labour relations and the good work that our 30 mediators are doing with bargaining units, their employers across this province.

In conjunction with our efforts to promote stable labour relations, my ministry is focused on working with our partners to reduce workplace injuries in the province of Ontario. That's why we've launched Safe at Work Ontario. Safe at Work Ontario is the plan for enforcing the Occupational Health and Safety Act in Ontario, now and into the future. It builds on the success of the Ministry of Labour's targeted compliance program, which I spoke to earlier this morning. That program ran from the beginning of April 2004 to the end of March 2008, and it had great success. The Safe at Work Ontario program takes a broader approach now to safety inspections and affords inspectors much more flexibility to work with

employers to develop a strong health and safety culture in the workplace.

Safe at Work Ontario enables inspectors to visit workplaces before injuries occur. I think that's something that all of us here—all of the committee members—can agree on, that it's worth investing in prevention and making sure that we do have safety before an accident occurs. This is the next stage in our Ontario program in the reduction of workplace injuries. We've had, as you know, a great deal of success: an over-20% reduction in workplace injuries. We talked about the amount of individuals that that would have affected—54,000 fewer workplace injuries—and what it would have meant, in a poor way, to those families, those individuals and their communities and businesses that they work for.

Safe at Work Ontario focuses its resources where they're needed most. We've learned a lot during the last four years while we were improving our techniques for selecting workplaces to be inspected and while we were hiring and training 200 additional inspectors. In my first few days at the ministry, I was given some insight as to—when we brought in the 200 new inspectors, I thought that you would just bring them in and they would start tomorrow. But no, there was a great deal of training and understanding of various sectors in the workplace, and making sure that these new inspectors who were being hired were able to hit the ground, get in and meet with our stakeholders, with our partners, employees, employers, health and safety associations etc. and really help us in terms of meeting the lofty targets we had put out there.

I'm happy to say that we were able to achieve that over-20% reduction in workplace injuries, and now what we're doing is giving them some more flexibility to be able to go in and work in a much more preventive manner, and take that approach to help build the types of cultures that we want in the workplace.

I'm proud to be able to tell you that since the beginning of 2004, the 20% reduction—that is still not good enough. We want to continue to work to reduce all workplace injuries. The government of Ontario and its partners are committed to eliminating all workplace injuries. Workers have a right to go home each day to their families, safe and sound.

One of those partners is the Workplace Safety and Insurance Board. The WSIB is an arm's length agency, as I mentioned earlier this morning to Mr. Miller, that is responsible for administering the Workplace Safety and Insurance Act. The WSIB is a trust agency that functions independently of the Ministry of Labour. Under its enabling legislation, the Workplace Safety and Insurance Act, the board has statutory authority to fund its programs and services through its own revenues generated from sources such as employer premiums and investment income.

The WSIB board of directors is the corporate body that has overall responsibility for conducting the agency's business in a financially responsible manner. It has an independent board with extremely qualified

members. The WSIB can, and has, recently been called to the standing committee. They were here on September 12; the standing committee was government agencies. As you may be aware, many of the issues that were brought up earlier this morning in regard to the WSIB came forward on September 12, when Chair Mahoney presented here to the committee. I do ask that any members who have questions about the WSIB—they may find a lot of those answers in the responses that were given by Chair Mahoney to the Standing Committee on Government Agencies. Personally, I look forward to meeting with Chair Mahoney, the president, the board of directors, in the coming weeks to learn about the programs and strategies that they have in place.

1610

Further to my comments earlier today, I'd like to elaborate on some of the progress that we've made in a few of our key program areas.

In 2007, our government pledged \$3.6 million in annual funding to help speed up the resolution of employment standards claims. The additional funding allows the ministry to continue targeted, proactive enforcement activities to help prevent employment standards contraventions before they happen. The ministry has also hired additional staff to reduce wait times. The added resources are complemented by a new, province-wide computer system that will automate and standardize claims processing based on best practices and freeing up administrative resources.

We've undertaken an employment standards transformation. This ambitious transformation was launched in 2004. It included an outreach to vulnerable workers and an increased emphasis on proactively enforcing compliance and prosecuting those chronic offenders.

We've adopted a new business model to better serve Ontarians, with more efficient and effective processing of employment standards complaints. A new central-intake provincial claims centre was set up in Sault Ste. Marie, together with a new IT system to support this model.

We've become more rigorous in enforcing employment standards legislation. During the past four years, our dedicated enforcement team has conducted over 8,700 inspections, issued 1,496 part 1 tickets, 5,315 compliance orders and 197 notices of contravention, while collecting approximately \$5.5 million in unpaid wages for those workers.

This morning, I took some time to talk about a few facts regarding compensation for injured workers. I want to look at those facts now. Prior to 2003, in fact 12 years or so before 2003, injured workers' benefits increased by only 2.9%. Members, that's a fact. Changes in the 2007 budget helped to address this situation. By enhancing the benefits for more than 155,000 injured workers, we increased benefits by 2.5% on July 1, 2007. We again increased benefits by 2.5% on January 1, 2008. We've committed and there will be a further 2.5% increase on January 1, 2009. This is good news for those injured workers. We have also created a regulation-making power so that injured workers don't have to wait for

legislated amendments to the WSIA for any potential future increases.

I just wanted to be able to set the record straight from this morning and talk about a lot of the great results, I'd have to say, that have been achieved by this ministry, and give the members an understanding as to how we're moving forward, building a culture of health and safety prevention promotion here in the province, working with all our partners, employees, employers, associations, making sure that we build the type of province that we want: a strong Ontario.

As I said earlier, Ontario is not rich in oil, but it is rich in people. If that is our number one resource, and it is, we have to invest in those people. We have to keep them safe. We have to keep them healthy. We want to make sure that we're working on all cylinders in this province, especially in these economically challenging times.

I look forward, as the new Minister of Labour, to getting out into the field; getting on to the shop floor; meeting with a lot of the workers; listening to leaders in business and health and safety; finding out about some of the best practices, and being able to share those and champion some of those across this great province of ours. It's something that I feel very passionate about. I know that my predecessor, Brad Duguid, and those before him felt the same way.

Coming into this ministry, you really feel the impact of all the people you touch, and you touch everybody.

I said earlier this morning, during question period, how it doesn't matter who stands up to ask whatever question; you always feel that it touches Labour, and they all do. And I think that it's a responsibility we all have as legislators. I know that with the great staff we have, and the dedication and commitment from the Ministry of Labour staff, and we have many of the senior staff here with us today—that's what I would like to impart to this committee, Mr. Chair. I think we can move on to some more questions.

The Chair (Mr. Tim Hudak): Terrific. Thank you very much for your summation, Minister. Now we'll begin our usual 20-minute rotations until approximately 6 p.m., beginning with the official opposition, then the third party and government, in that order.

Mr. Bailey, you have the floor.

Mr. Robert Bailey: Thank you, Mr. Chairman, and thank you again, Minister, for coming back this afternoon.

I'm going to split my time with my colleague Mr. Hillier. So right from the get-go, this is a letter from the Large Urban Mayors' Caucus of Ontario, LUMCO. It's chaired by Mayor Hazel McCallion, the mayor of Mississauga. I'm sure most of the people in this room and yourself would be aware of her. Many of you were on Mississauga council at one time. Anyway, they had a resolution and it had to do with the Ministry. In a nutshell—I won't read it all:

"Whereas the Ontario Labour Relations Board treats municipalities as a business for the purpose of the construction industry provision in the Labour Relations

Act, 1995”—they are asking for an amendment from the government to the Labour Relations Act, 1995, that would ensure municipalities are able to tender construction work in a free and open, competitive environment, to maximize value for construction expenditures.

“Be it resolved”—and this is from the Large Urban Mayors’ Caucus of Ontario to the Ontario government. It’s dated June 6, and it was in regard to a resolution from the city of Hamilton and that mayor. Anyway, that’s the letter.

A little background on what the issue was, just while you’re preparing: In a nutshell, the city of Hamilton has asked other municipalities to support this amendment to the 1995 Labour Relations Act.

Minister, I know some of the members here will be aware of what’s going on in Hamilton. The city of Hamilton is being considered a construction industry employer, and they are now bound by obligations of the construction industry trade. Any municipality that becomes bound to these construction industry trade unions is subject to those obligations and restrictions that would extend well beyond the interests of its own employees, the municipality’s employees.

It is interesting to note as well that this resolution came from the city council of Hamilton. I’m sure Hamilton would be a fairly pro-labour council.

If the Labour Relations Act were amended, it would allow these municipalities—

Interjection.

Mr. Robert Bailey: Oh, yeah.

If the Labour Relations Act were amended, it would allow municipalities to tender construction projects in a free and open, competitive environment, at least according to the Large Urban Mayors’ Caucus of Ontario and its chair, Mayor Hazel McCallion of Mississauga.

As I said, I have a copy of the resolution, signed by Mayor McCallion, and I expect that the minister is well aware of Mayor McCallion.

My question to you, Minister: Are you aware of this issue facing the city of Hamilton—and other cities, I’m sure—and the extra costs that are being charged to the ratepayers of the city of Hamilton as a result of the municipality being considered a construction employer? Second, do you have any idea whether any other municipalities are facing the same situation as Hamilton?

The Chair (Mr. Tim Hudak): Mr. Bailey, you got a lot of members’ attention with that. Would you care to share the letter?

Mr. Robert Bailey: Sure.

The Chair (Mr. Tim Hudak): The clerk can make copies—a good point of debate. Super. Thank you.

Minister.

Mr. Robert Bailey: Sorry, I should have made copies myself.

The Chair (Mr. Tim Hudak): No, no. It’s what we’re here for.

Mr. Robert Bailey: Sorry, Minister.

1620

Hon. Peter Fonseca: I thank the member for the question, and we always love to work with Hazel. I have not

been briefed on the Labour Relations Act, but I do have an expert on it here, and that is our assistant deputy minister Susanna Zagar. Susanna will be able to fill you in, and in particular, on the city of Hamilton issue that you bring up.

Ms. Susanna Zagar: I’m Susanna Zagar. I’m the assistant deputy minister of policy and dispute resolution services at the ministry.

Municipalities have had concerns with the issue of non-construction employers, as you’ve mentioned to us. Our position at the ministry is that non-construction employer applications are available to any employer who believes that they should not be covered by the Labour Relations Act under the construction provisions of that act. The OLRB will make its decision based on the specific case at hand and the facts of that case.

I understand that the city of Hamilton has filed an application for judicial review of the OLRB powers, but they haven’t actually proceeded any further, so it would be inappropriate for me to comment further at this time.

Mr. Robert Bailey: So you are aware of it, then, and it’s in process.

The second part of that question, Madam Deputy Minister: Do you know of any other municipalities that are in the same situation or could have filed the same types of applications?

Ms. Susanna Zagar: I’m an assistant deputy minister, sir.

Mr. Robert Bailey: Sorry.

The Chair (Mr. Tim Hudak): It’s a matter of time.

Mr. Robert Bailey: Yes, just a matter of time.

Ms. Susanna Zagar: Thank you.

Certainly we’re aware of the resolution from LUMCO and from Mayor McCallion, her position on the issue.

Mr. Robert Bailey: The second part of my supplementary to that question and, I guess this is to the minister: Are you considering supporting Mayor McCallion in moving an amendment to the Ontario Labour Relations Act that would ensure municipalities can tender work in this free, open and competitive environment that they have asked for? Secondly, if not, will your government consider bringing forward a funding program for municipalities that will find themselves facing extra costs as a result of this issue? That’s probably more to the minister.

Hon. Peter Fonseca: What I say to the member of this committee on estimates is that I look forward to sitting down with ministry staff and learning about all the different issues and nuances of this ministry. As I said earlier this morning, this is not the place to make decisions or to make policy; this is the place to look at our estimates in the ministry and how we are allocating our resources. That’s what I’m here to do: to discuss those allocations and to have staff here to clarify any information that the member or members may want. We’ve got the knowledge base here, and that’s why they’ve been brought in, to be able to give you any further information that you may need.

Mr. Robert Bailey: Thank you. I'll relinquish to Mr. Hillier.

The Chair (Mr. Tim Hudak): Okay. Mr. Hillier, you've got about 13½ minutes.

Mr. Randy Hillier: Thank you, Minister, for being here. I have a couple questions. I realize that earlier today my colleague asked a question regarding the number of violations your jobs protection officers had found over the years, and you're going to provide that information to us a little bit later. But I would like to know: How many jobs protection officers does your ministry now employ as compared to last year, and are there any increases planned on the number of jobs protection officers?

Hon. Peter Fonseca: I was just asking the deputy minister if that was our health and safety officer or our ESO officers. Deputy, that is?

Ms. Virginia West: Actually, they are specific officers, currently located in the Ottawa region to deal with TQAA enforcement within the Ottawa region. In addition to that, our health and safety inspectors across the province also do TQAA inspections. Mr. Hillier used the reference to jobs protection, and that would be that particular group.

Mr. Randy Hillier: Let me just clarify: You're using your health and safety officers for doing the TQAA violations as well?

Ms. Virginia West: Yes.

Mr. Randy Hillier: But in the Ottawa area, you're only using the jobs protection officers, from what I understand?

Ms. Virginia West: They are dedicated in the Ottawa area in the jobs protection office to TQAA, particularly because of the border issue with Quebec, as you recall. But no, in addition that, across the province, including other inspectors that we have in the Ottawa area, officers supplement their work when they go on construction sites, for example, to request compliance with TQAA.

Mr. Randy Hillier: Okay. I understand from speaking with the regional director earlier this year that the Ministry of Labour had plans to increase the number of jobs protection officers throughout the province. Is that correct?

Ms. Virginia West: To clarify, what had happened generally, again in the Ottawa area, we had been almost exclusively, for a period of time, relying upon that relatively small core of TQAA jobs protection officers, of which I think we're up to about six or eight in number. But what we decided to do to deal with the issue broadly across the province is to include that responsibility among the 430 construction inspectors across the province. I think that may have been the reference to increasing it—by looking to the other inspectors to take on that role as well.

Mr. Randy Hillier: So the answer is that we're not increasing the numbers of jobs protection officers?

Ms. Virginia West: No, not dedicated.

Mr. Randy Hillier: But you have a total of 430 construction safety inspectors—

Ms. Virginia West: Health and safety inspectors across the province—a segment of which are construction health and safety inspectors. We do it by sector.

Mr. Randy Hillier: So how many construction safety inspectors do you have? You have the health and safety inspectors. How many are dedicated construction safety inspectors?

Ms. Virginia West: I'm looking for an answer back here. We have industrial health and safety inspectors, construction health and safety inspectors, and mining health and safety inspectors—

Mr. Randy Hillier: We'll just go with the construction safety—

Ms. Virginia West: I hear you. Just give us a minute and we'll get that.

Mr. Randy Hillier: Maybe while we're waiting for that to come through—I was listening to the minister's speech, and I have to give you credit for whoever voted, because I can't believe they've actually ever been in the field. I'm really looking forward to your statement—you said you were looking forward to getting into the field to see what's really happening. I can tell you that the contractors I speak with and the businesses I speak with do not view the relationship with the Ministry of Labour as fostering a good and balanced relationship.

One of the things that I would like to bring up is your mechanism for these jobs protection officers, or health and safety officers, if they're under that TQAA element, of how they determine where they're going to go and if there is any check and balance on anonymous calls to your officers and them going out. When these jobs protection officers go out, there are significant work stoppages that they get involved with—making sure that all the construction people stop work, check their paperwork. They're quite disruptive on the job. Is there any mechanism within the ministry to prevent the mischievous or malicious use of Ministry of Labour jobs protection officers in this regard?

Hon. Peter Fonseca: First, I'd like to address the member's query on the number of officers that we have in construction: 157.4 is the number that I've got in here. If you want some of the others: industrial, 242; health care, 7; mining, 23.6—

Mr. Randy Hillier: The point four must have some trouble.

Hon. Peter Fonseca: I guess so. Mining is 23.6, and construction is 157.4, and that makes up for that extra body. I don't know if they work between the two or how they broke it up.

What I want to impart to the member, and I did in my statement here as I opened up, is how well our ministry inspectors have done. From 2004 to 2008—

Mr. Randy Hillier: I want to find out if there's any check or balance. When an anonymous phone call goes into your ministry to have them go out and disrupt a job site, how do you check the veracity of that and how do you prevent it from being used maliciously?

Hon. Peter Fonseca: Let me say to the member that we work on facts in the Ministry of Labour, through

targeted enforcement strategy, which has had some significant results. I spoke to the over 20% workplace injury reduction. The first component to that targeted enforcement strategy is 6,000 high-risk workplaces are inspected up to four times a year. These would be high-risk workplaces that they would be looking at.

1630

Mr. Randy Hillier: No, I'm talking about the jobs protection officers, where people go out and check somebody's licensing, their paperwork. I'm not talking about safety right at the moment. How do you ensure that your system and your inspectors are not being manipulated and being used in a malicious fashion?

Hon. Peter Fonseca: Understanding that we do it in response to complaints, I want to ask the deputy minister to give more information on that in terms of how a complaint comes in, the process for that policy.

Ms. Virginia West: I know that the member referred to TQAA complaints. We do also receive complaints, as you can appreciate, about health and safety. We do try to get the specific information and not have anonymous phone calls made, but of course there are occasions when they are anonymous because the callers are concerned about reprisals for themselves.

With respect to TQAA, I would say that, again, through the jobs protection office they would receive phone calls. Because we know it is a competitive business, I would assume, from time to time, there are reasons behind the phone call other than particular concerns, and I would say that they use their best judgment to determine whether or not this is a legitimate call. Because of the Ottawa area being a particularly intensive area, they would get to know some of the people as well and have a sense of whether or not this is a legitimate call. But I would say, beyond pressing for someone to give their name, there's not an oversight—

Mr. Randy Hillier: So you have no way of establishing if somebody is using this in a malicious fashion. I'll give you one example here, where I have one contractor—this is just one specific one—who's been visited three times in the last 10 months by your jobs protection officers in the Ottawa area. They have taken all his men out of production for that period of time—and it's a significant period of time. Never once have they found any violation, and they never once have found anybody not working without proper licensing, but they continue to return. It's always an anonymous phone call. Surely there must be a better system than allowing competitors to disrupt—competitors using government to foist injustice upon another. I'd like to get a thought—or if you have any idea how much this is costing our economy, these contractors, with your jobs protection officers.

Hon. Peter Fonseca: First off, I want to say to the member that we have confidence that our inspectors do their work, do it well and do it by the book. In regard to this particular case that the member cites, I'd ask that the member come forward with the information to the Ministry of Labour. I don't know if you have or if they have as of yet. Have they made a complaint? Have they brought something forward?

Mr. Randy Hillier: Yes, they have.

Hon. Peter Fonseca: They have. So if the member can bring that information to our ministry staff, I'm sure they'd be happy to look into it.

Mr. Randy Hillier: Okay. I think we should be looking to put in some checks and balances on this as well.

Are we—

The Chair (Mr. Tim Hudak): Three minutes.

Mr. Randy Hillier: Three minutes? Can I save that three minutes for another—

The Chair (Mr. Tim Hudak): You need permission from all the members of the committee.

Mr. Randy Hillier: Okay.

I'll refer back to your opening speech, Minister, about fostering a good relationship, promoting good relationships and whatnot. I was at one meeting earlier this year with construction safety inspectors and was with a group of contractors. He referred to the contractors as "targets of opportunity." Those were his words. I don't believe that's a very correct phrase that recognizes good relationships. But what came out of that meeting was clearly the amount of vigorous enforcement going on in construction safety. It's significant. But there's also no appeals process for these people getting compliance orders—not anything that is effective or reasonable. It's cheaper to pay the \$120 fee than to combat it, and of course, that builds up on their record and makes them look like a terrible contractor. But I would like to ask you—you mentioned you had 1,495 part one violations last year. What was the amount that you received from those part one violations? One thing that I've had difficulty finding is where the money actually ends up.

Hon. Peter Fonseca: You would like to know what was received from part one—

Mr. Randy Hillier: What was received and where does it end up?

Hon. Peter Fonseca: I'm going to ask if Sophie would have that information.

Ms. Virginia West: Perhaps I can respond briefly, Mr. Hillier. There was a similar question asked this morning and we gave an undertaking to follow up with that information. The money actually goes to municipalities under the Provincial Offences Act. So the municipalities in which the prosecution occurs receive that money.

Mr. Randy Hillier: I understood that was on the—I forget the right term now. You have two different levels of violations. The part one violations are the larger, more significant amounts; they're not the Provincial Offences Act, where there's a straight fine assessed or dictated by the construction safety inspector.

The Chair (Mr. Tim Hudak): We're concluding the time. We'll have to revisit this in the next round.

Hon. Peter Fonseca: We will get you that information.

Ms. Virginia West: As part of the undertaking, we'll get you that information.

Mr. Randy Hillier: Okay.

The Chair (Mr. Tim Hudak): Terrific. Thank you very much, Mr. Hillier.

To the third party: Ms. DiNovo, 20 minutes.

Ms. Cheri DiNovo: Thank you, Mr. Chair, and welcome to your new role as labour minister, Mr. Fonseca. I'm sure we'll have a lot to say to each other over the ensuing months.

First and foremost, about a year ago a huge campaign was launched to bring into Ontario a living wage. That was \$10 at the time. Anti-poverty groups are now calling for \$10.25. The face of the poor in Ontario is now the working poor. You said in your opening statement that you want to invest in our people. We have about a million people in Ontario who work at \$10 an hour or less; we have about 250,000 people who make minimum wage. This is below the low-income cut-off, which is seen by most experts as the poverty line.

I introduced another bill this last term to increase the minimum wage to \$10.25 immediately. According to your own aims of combating poverty in your government, this would de facto take a significant portion of the working poor out of poverty simply by doing so. So I'm asking you—and I know you just said something about not discussing policy, but it is your portfolio—will you go to bat in your cabinet and with your caucus for a living wage for Ontario workers?

Hon. Peter Fonseca: I can say to the member, I remember back in 2002, in 2003, knocking on many doors in my constituency and part of our platform commitment was to raise the minimum wage. I don't know if the other parties had it in their commitment, but we did.

After seeing the minimum wage not receive one penny for nine years—nine long years—we waited to see that minimum wage start to increase and to make up ground. That commenced through Minister Bentley and then Minister Peters and Minister Duguid.

We've brought the minimum wage for the lowest-paid and most vulnerable workers in Ontario now to \$8.75. That's a 40% increase from when we came into government in 2003, after not seeing an increase for nine long years. I'm very proud of that record. It's a program we continue to be committed to. We will be raising the minimum wage again here on March 31, 2009, to \$9.50. Ontario will have the highest minimum wage in all of Canada and it will have gone up 50% over those last five years under the McGuinty government.

So it's something that we're committed to. We're going to raise it to \$10.25 by 2010. It's something that we are proud of. We are leading Canada with our minimum wage.

1640

Interjection.

Hon. Peter Fonseca: We are going to be leading Canada. Right now, Nunavut as a territory has a bit of a higher minimum wage, but I think 40% of our population in March 2009 have the highest minimum wage in the country—

Ms. Cheri DiNovo: Thank you, Minister. I want to move on. It doesn't negate the fact that your government

voted against the \$10 minimum wage and voted against the \$10.25 minimum wage bills that were presented to you and that in real dollars the minimum wage right now is less than it was in 1976, and I'm happy to back up those figures. So in fact the poorest working people have lost ground over the 30 years. The fact that you've done something is still not enough. I just wanted to put that on the record.

I assume by your answer that you're not going to fight for a living wage; is that correct?

Hon. Peter Fonseca: We are committed to implementing increases to the minimum wage. It will be going up to \$10.25 in 2010. I have to say that the member has often grandstanded and used a very reckless approach to the minimum wage. The member has not taken time to look at, with her approach, how that would impact our lowest-paid and most vulnerable workers where a lot of businesses, small businesses, mom-and-pop businesses, would not be able to afford and be able to absorb some of the increases that this member has put out there, with no accountability, knowing full well she will not have to follow up on these increases that she talks about.

The Chair (Mr. Tim Hudak): I think we can move on—

Ms. Cheri DiNovo: Yes. Just on that and for the record, the payers of minimum wage for the most part are not ma-and-pa and small business. In fact, small business has come out in favour of the increased minimum wage with me. It's mainly the Wal-Marts, and you know that, and the McDonalds and the others that are the major employers paying minimum wage. So just to correct the record. Also, we lag behind many other jurisdictions in the world, many of whom have raised their minimum wages dramatically and overnight. But I want to move on from minimum wage.

You talk about hiring and training 200 new inspectors of employment standards to inspect employment sites. My question to you, Mr. Minister, is, what percentage of employers does that represent? According to our research, only 1% of employers ever get a visit from an employment standards inspector. Is that correct or not?

Hon. Peter Fonseca: When I was referring to the 200 inspectors that were hired and trained and are now out in the field, we were talking to occupational health and safety inspectors, because you brought up the—

Ms. Cheri DiNovo: Oh, okay. Then let's get back to employment standards, which is my critic portfolio area.

Hon. Peter Fonseca: Okay.

Ms. Cheri DiNovo: My question is, your government—

Hon. Peter Fonseca: So that's not the 200.

Ms. Cheri DiNovo: Okay. Your government promised 100, so I was surprised by the 200 figure. Your government promised 100. I guess my first question then is, have you hired that 100?

Hon. Peter Fonseca: What I can tell the member is that we have over 140 employment standards officers out in the field. I would ask the deputy minister in regard to the hiring of those.

Ms. Virginia West: The minister is correct: We have 146 employment standards officers. There were 20 additional staff who were approved last year, so that is included in the 146, and those are the officers that are available to receive complaints, as well as to do proactive inspections.

Ms. Cheri DiNovo: Just for the record, I believe it was Minister Peters, when he was in that role, who promised 100. We're lagging behind by about 80. When will you be hiring that staff?

Hon. Peter Fonseca: What I can tell the member is that we are committed to hiring the 100.

Ms. Cheri DiNovo: Okay. To get back to my original question, what is the percentage of employers who ever see an employment standards officer?

Hon. Peter Fonseca: For that detailed information I would have to ask the ministry staff.

Ms. Virginia West: Again, I wouldn't have that specific information for the member, but we can follow up on that with respect to the impact of the proactive inspections, which I guess is what you mean in terms of the employer seeing an officer visit their worksite?

Ms. Cheri DiNovo: Yes, absolutely. Thank you very much for that.

Certainly, according to our figures again, just over \$100 million in workers' wages that the ministry ordered employers to pay went uncollected between 2001-02 and 2005-06, and bankruptcy only explained about 16% of that. I'd like to know if the ministry is any closer to collecting that \$100 million in unpaid wages.

Hon. Peter Fonseca: It's my understanding, in terms of claims collection, that approximately 89% of claims are done without an order, and then of the final 11% or so, 70% also gets resolved favourably for our workers, and then the final percentage goes to a collection agency. I hope these are the right numbers. I'm just going to ask the deputy minister for clarification. I hope the member is aware that I've only had 11 days on the job and I'm trying to get a lot of facts and figures into—

Ms. Virginia West: And the minister has numbers and percentages that I would have to check as well. I'm happy to ask our assistant deputy minister to come up to the table to assist in responding to that, if you like.

Ms. Cheri DiNovo: You can get back to me on that. That would be fine. I'd just like to know what are the outstanding uncollected wages right now in the province of Ontario.

Ms. Virginia West: Just to be sure, the claims that we've received notice of—

Ms. Cheri DiNovo: Yes, that have not been collected.

The fines for breaking employment standards are, I think by all accounts, pretty low. They're escalating fines of \$250, \$500 and \$1,000 per employee, one per violation. I can see how that wouldn't be much of a detriment to many employers. Would this minister and ministry consider raising those fines to \$1,000, \$2,000 and \$5,000 per employee per violation?

Hon. Peter Fonseca: I was just asking about the fines being set in the statutes and how those fines compare to

others. I'm not sure if we have that information before us.

What I can tell the member, as I said to your colleague earlier this morning, is that this committee is not here to create policy on the fly. That's not what we do as a government. We make sure that we consult, we have all the information before us, we take a very balanced approach, and then move forward. So I'll let the member know that there will be no policy on the fly.

Ms. Cheri DiNovo: No, of course. I'm just asking your intent. You have to admit that a fine of \$250 for an employment standards violation is pretty low. In other words, somebody could not pay their employee and pay a fine less than what they owe the employee. These are pretty low fines. Again, we can move on from there. There's a lot covered; I don't have a lot of time.

To get to the impact and the role of temporary agencies: Does this minister—and again, I know you're not making policy on the fly; I'm asking about intent. Do you have an intent to render the charging of fees for applicants illegal by temporary agencies?

Hon. Peter Fonseca: Can you repeat that question?

Ms. Cheri DiNovo: Right now, temporary agencies are out there in the field charging applicants to register. A long time ago that used to be illegal. It was rendered legal. Will you be making it illegal again?

Hon. Peter Fonseca: First, I want to say to the member that my parliamentary assistant—I don't know if he's here now; he was here earlier this morning—has met with many stakeholders and done consultation on temp workers. We're looking at all the recommendations. We are interested in seeing how we can better protect vulnerable workers and looking at what we can do with temp agencies. We'll be looking at all those recommendations.

Ms. Cheri DiNovo: Fair enough.

In terms of contract and precarious work, right now about 37% of workers in Ontario are really contract workers, temp workers, precarious workers. The question is around the definition. As we know, many companies are outsourcing the bulk of their labour. It's a cost saving to them. They can downsize when times get difficult and upsize when times are more flush. This is particularly hard on workers. Does this ministry have any intent to redefine "employees" and give a limit to how long someone can work on a temporary basis for a company—and this includes the Ontario government—before they are hired on permanently? So the question is around contract work.

1650

Hon. Peter Fonseca: As I said to the member, we have conducted consultations; we are looking at all recommendations. This is not the place to conduct policy. This is not what this committee has been set up for. If that is what the member's intentions are here, to talk and conduct policy, I don't think this is the right place.

Ms. Cheri DiNovo: I'm asking about intent here.

Just breezing on to mass layoffs, we know that we've had over 200,000 laid off in the province of Ontario. Are there any plans to increase the advance notice time for

those who are laid off and to enhance eligibility for severance? Any work happening in that area?

Hon. Peter Fonseca: One thing I can tell the member is that Ontario is the only province or territory that actually legislates severance pay in all of Canada, so we do more than the others. We always are saddened when there are job closures or when people are laid off.

I would hope that the member and the member's party would get on board when it comes to our fairness campaign for Ontario. We want to make sure that when it comes to employment insurance payments—as you know, Ontario's unemployed workers are shortchanged \$4,600 compared to other workers across this country. It's very unfair. I'd hope I'd hear a positive response, where the member's saying yes, she will stand up for fairness for Ontario—

Ms. Cheri DiNovo: That wasn't the question. Mr.—

Hon. Peter Fonseca: I'm looking for intent.

Ms. Cheri DiNovo: Mr. Minister, what we'd like to see in the New Democratic Party is those people not being laid off, and if they are laid off, to certainly go ahead of other creditors in terms of collecting their due from employers, and that's not happening.

Moving on to pay equity, based on your own figures, \$369 million is owing to about 100,000 working women for delivering public services in predominantly female workplaces in 2006 and 2007. A further \$77.6 million is owed in 2008, and about \$1.32 billion from 2008 to 2011. So I'd like to ask about the restoring of the full funding to the Pay Equity Commission, the hearings tribunal, and legal support services for those claiming pay equity violations. Are you willing to restore full funding?

Hon. Peter Fonseca: What I could tell the member is, as the member knows, the purpose of pay equity is to address systemic discrimination in the compensation of work traditionally done by female-dominated occupations. Ontario's Pay Equity Act continues to be recognized across Canada and internationally as one of the most progressive pay equity statutes—

Ms. Cheri DiNovo: It's not being enforced.

Hon. Peter Fonseca: —in the world. We're going to continue to work with business, with labour on all discussions that pertain to pay equity, in addition to investigating and looking at employee complaints. I can tell the member that under the Pay Equity Act, the Pay Equity Office is undertaking a proactive monitoring of a number of sectors with vulnerable workers to ensure that those workers are being paid in accordance to the act. I can ask the deputy minister to provide some more information on these undertakings.

Ms. Virginia West: Thank you, Mr. Minister. With respect to the Pay Equity Office, it did receive an increase of 11% of its budget in 2008-09. That was mainly to deal with business cost pressures. But as the minister stated, the office is using different techniques to make itself more efficient and to have a broader impact looking for compliance, so that they are using proactive inspections in Hamilton in the hotel, motel and retail

business trades—in 2007-08—they're doing it in Peel and Dufferin. They're using tools such as an e-learning tool, again, to help educate those who are required to comply with the Pay Equity Act. They have new intake procedures—

Ms. Cheri DiNovo: Might I—

Ms. Virginia West: —as a result of which they say that in 2007-08, 40% more cases were handled than the average of the previous three years and 85% more cases resolved than the average of the previous three years, so that they are being more effective with the resources that they have.

Ms. Cheri DiNovo: There's still a huge amount of money owing, and I point out to this committee that in 1985, the gap between what women earned and men earned was 38%; now it's 29%. So in many, many years, we've only marginally affected that gap. Women still earn 71 cents for every dollar that men earn. Clearly, whatever this ministry has been doing and however much they've been funding pay equity legislation, it's not enough, or it's not working well enough. I would like to hear from the minister some reassurance that more will be done.

Hon. Peter Fonseca: I've already explained to the member what is being done. We do lead Canada. The member does not want to acknowledge this, but a lot of progress has been made and we're going to continue to make more progress on this front.

The Chair (Mr. Tim Hudak): There's time for a quick question, Ms. DiNovo, if you choose—just under a minute.

Ms. Cheri DiNovo: Sure. Again, this goes to the definition of "worker." Right now, there's been, under the SEIU, the union, a whole move for justice for janitors, for example, where janitorial staff have been called contractors, hence they're liable for their own expenses. Many of them are immigrants and don't know their rights, and many of them are making under minimum wage. This is because they're called contractors and not employees. I'm wondering again, in the definition of an employee—is this minister going to commit to look at the definition of "contractor" and "employee," and bring in some legislation so that this abuse cannot continue? It isn't happening in Quebec; it is happening here.

Hon. Peter Fonseca: Again, this is estimates committee, Chair; it's not a committee to discuss policy. I know the member keeps bringing up policy. That's what the member wants to do, but this is not what the members are here for. We're here to discuss estimates and how our resources are being allocated within the ministry, looking at the consolidated revenue, and that's what we are going to stick with.

Ms. Cheri DiNovo: So I'd ask, then, how much, in terms of your dollar revenue, will look at amendments to the Employment Standards Act?

The Chair (Mr. Tim Hudak): We'll have to stand on that. We have expired the 20 minutes, Ms. DiNovo. Just to make sure that members are clear too: The minister can respond with respect to policy and is given particular—

Hon. Peter Fonseca: But Chair, I'd like your clarification on what this committee is here to do, if we're estimates.

The Chair (Mr. Tim Hudak): The ministry has been allocated substantial sums to do a number of things including, in your own business plan, to develop policy to advance the goals that you outline. So I've always found it in order to ask questions about the intent and how you're going to spend that money and use it. I think Ms. DiNovo's question is in order, as is your answer.

Hon. Peter Fonseca: Okay.

Mr. Peter Kormos: If you want to cite Marleau and Montpetit—

The Chair (Mr. Tim Hudak): No, I'm not going to belabour the point. Government members, you have 20 minutes. Mr. McNeely.

Mr. Phil McNeely: Thank you, Chair. I've had long experience with workplaces—construction workplaces—and I'd just like to go back over the years, how these have evolved into, I think, much safer workplaces. I can recall an inquest into the collapse of a building on Elgin Street in Ottawa, where two people were killed. The steel reinforcing hadn't been piled in one spot and the collapse occurred, and with the tragedy—I can remember the collapse of the bridge over the Rideau River, where several workers were killed. It was the temporary supports for the concrete deck that failed.

As a young engineer in training up in Labrador, being caught in a trench collapse—these were all part of the construction sites. I think we have to look at the 1960s and the volumes then and the volumes today; I would suggest that the volumes are much higher, but I think we have much safer workplaces, and it's because of succeeding Ministries of Labour that have worked with the union people, with the workers, and come up with safer inspectors.

I recall the announcement of 200 new inspectors in 2004, which was one of the big steps forward for our government, for the construction industry and for workers' safety. I got calls then, because you could tell that there were more inspectors, that there was a different feeling, and there were a lot of fines. Somebody mentioned that the fines were low, but I understand from contractors at the time, and they were complaining, that the fines were high and the legal costs associated with the fines were very high. I think there was a major change from 2004 onward, and it was one that I was glad to see. I recall a conversation with Minister of Labour Bentley and his saying that there were 20 billion reasons that we should be tougher on safety in the workplace. That \$20 billion, I believe, is something very close to the annual losses, without including the human losses, the actual financial losses from accidents in the workplace.

1700

Recently I had the opportunity to visit two significant sites in Ottawa with Minister Duguid. It was our arts centre in Orléans, which is a \$30-million building, and the cancer treatment centre at the Ottawa Hospital. These are the first sites I've been into probably in 10 or 15

years in an organized fashion, had the full treatment, but I was impressed that the contractors now have hired people who are in charge of site safety. When we went through that site, we could see that the steel setters were tied down with ropes, that they could work very well being tied, that they had learned the process. That was all different from what I saw in the 1980s and even the 1990s. This was a pride of that contractor; PCL was the one for the Ottawa Hospital. It was their pride that they were exceeding the requirements of the legislation. I think it is excellent to see that that leadership is coming from the contractors. On the basis of volume of work, I'm sure that the incidence of accidents is way lower that it was 10, 20 or 30 years earlier.

We spent a half-day on these inspections. The detail, the forms that had to be filled out for everyone coming on the site; they had made a very complex, dangerous construction site a safe site. They had taken all those procedures, they had protected their people, and obviously, with \$20 billion in just financial loss on a yearly basis, this was the right thing to do. I think since 2004 with the new inspectors, looking at page 63 of the book, the orders issued have almost doubled since 2004. The importance is given to protecting the worker.

My question has been partly answered by you earlier in what you've said. We've come a long way. I think that in the last three or four months there are selected areas of construction safety that we are concentrating on. The hiring of young people was an area—I recall an electrical contractor who lost his apprentice in an electrical accident two or three years ago in Ottawa. Those first few months on the job are very important. That is part of the new direction that you are going in with your ministry. I would just like to hear from you the results. That 20% reduction is extremely significant, to me, in such a short time, four years, since you hired the inspectors and started training them. I would just like to hear from you what your vision is for where we are now and where we are going with construction safety.

Hon. Peter Fonseca: Well, I want to thank Mr. McNeely for those comments and for sharing some of his experiences in the workplace, at different sites, in years past, how things were done and how they are done today, and the type of approach that our government has taken, that the Ministry of Labour has taken, to health and safety in the workplace and across our province, in all the various settings.

What it means to Ontarians—you really have to buy in, you have to believe in what this is going to do for our workplaces, for our communities, for the reduction in workplace injuries. When you go into organizations that have that belief, it is one of their principles. They have now built it into their culture, and that's where we're going with the Safe At Work Ontario: to build this into their culture.

What we also want to do is take a preventive and proactive approach to this, so we're starting really early. I brought up some of the key thrusts for this ministry that are very important to me and that I will champion, and

that will be around education. Education is key here to the knowledge base of our young workers, of all workplaces, of our employers; understanding the importance of investing in safety and healthy workplaces. That's happening at grade 7 now. We have a program in our schools, working with the Ministry of Education, that runs from grade 7 through to grade 12. I shared some of my own personal stories. I wish I had had some of those programs in school when I was going through and getting into my first jobs. Those programs are creating the culture that we want down the road.

For those who have not had the opportunity to have those programs in school, we're also doing that now in phase 2, the Safe At Work Ontario initiative, by having our inspectors go in and work as partners. The first thing they want to do is share best practices, work with those businesses, be able to impart to them how we will help their overall business.

Nobody wants to have to do a do-over—none of us. We know that when we're stressed or tired, or we're cutting corners, we find ourselves many times having to do something over again, and we know we should have invested on the front end in making sure that we had a plan in place, that we understood what we needed, the best practices that had to be there to work toward—let's call it a road to excellence. That's what we're going to be doing in terms of our Safe At Work Ontario: partnering with our employers and employees, everybody rowing in the same direction to build these types of workplaces.

This is going to have a significant impact on our workforce in many ways. I believe it always boosts the morale of an organization when they've not had any workplace injuries or, in some instances, fatalities. Mr. McNeely, you had the opportunity to be with me up in Bruce county. We had a chance to get out to Bruce Power. They have a fabulous record. They have big posters—if some of the members have not been there—saying, "12 million work-hours without an injury." I think that's amazing. The culture in that place is the type of culture I'm sure we want across this province in all workplaces, because it is a boost to those employees. You could feel it in their spirit, in their sense of well-being and wanting the best for the organization, in their looking out for and after fellow colleagues. And it does touch the bottom line, in that morale, in absenteeism, in not having to pay claims and penalties, by reducing those workplace injuries and illness, bringing productivity to our businesses, especially in these challenging economic times when margins in business keep shrinking and shrinking. One of the places to look where there is opportunity is to be able to get all your people working together with a common vision of building a healthy and safe organization, but when you do that, I also believe you've taken that step, in all other respects of that organization, to making it a better place not just to work but a better company that can compete on the global stage.

1710

That's what we're doing with Safe at Work Ontario. We're lessening the burden on our health care system.

We're saving costs for employers at the Workplace Safety and Insurance Board. Beyond that, we have some really amazing companies and employers out there. One of the things that they will often bring forward is that, "You know, I'm doing everything right." We thank them for that and we celebrate them, but they may say, "But some of the other companies that I'm competing against, they're not doing it and they're not being compliant. They are cutting corners." What our inspectors do by getting out there, by targeting some of those high-risk sectors—they make sure that they even the playing field.

I think that's very important for our business sector. It's something that I want to be able to go out and say, that everybody is on an even playing field, and then also share with them the numbers. But beyond those numbers are the stories of all those workers that did not get injured. That's where there are major savings. I talked to the reduction in workplace injury of those 54,000 and what that number meant in terms of claims and insurance costs. That was about \$5 billion. I think all of us here in this room know that that \$5 billion is needed in many areas across this province, needed in health care, needed in education, needed in infrastructure, needed to help with our poverty agenda, our seniors.

So, Mr. McNeely, I thank you for being a champion in your community and for working to help us build a stronger, healthier and safer Ontario.

Mr. Phil McNeely: Thank you. If I have time left, Mr. Craitor—

The Chair (Mr. Tim Hudak): Mr. Craitor, just about five minutes.

Mr. Kim Craitor: Thank you, Chair. We've got five minutes, so I'll ask you a four-minute question.

Minister, just very quickly then—and this is kind of near and dear to me, so I don't need these notes to ask you this question. I know you and I have talked about our past history before we came to this place. You know I was president of three unions and very active in the labour movement. One of the things that I saw constantly, over and over, was employment standards, particularly when you're talking about plants or businesses that have closed up that have ripped off—and I'm going to use that word, because I saw them not paying their vacation pay, unpaid wages and, in fact, sometimes keeping employees' hopes up by asking them to stay working for another couple of weeks while they pay the bills or bouncing the cheques when they get their paycheques. The workers stay on hoping that they're going to come through.

I also spent some time in the federal government as an investigation officer. I dealt with unemployment fraud, Canada pension and revenue, so I worked a lot, closely, with the employment standards officers. I just wanted you to touch on it because I'm still getting some people coming in—I still get them as an MPP coming in with businesses that have closed up and they still feel that the system isn't moving fast enough to get their claims through. We all know why they need it. They need the money for food; they need the money for rent. They even

need money to be able to get out and look for work on top of that.

I'm just wondering if you could kind of touch on—I understand we're going through a transitional phase with this and how it's working and how it's going to improve so people can hear, especially so that workers can hear, that there's a sense of hope that we're going to expedite these claims as quickly as possible.

Hon. Peter Fonseca: I want to thank the member for the excellent question. This has been a focus of this ministry. We have gone through a transformation when it comes to our employment standards claims. In my opening comments, I spoke to a central intake for claims that is up in Sault Ste. Marie. Now, it is so much easier for a worker to put in a claim. They can do it online and, yes, the numbers have gone up. What that tells me is that prior to this modernization effort by the ministry, there were a great many barriers in front of these workers in not being able to put in claims as easily as they should be able to. The modernization has helped with that.

There is a backlog that has been created because of this pent-up demand or because of the barriers that were there before them that have been taken down by this government. Because of that, we have invested in this past budget \$3.6 million more. We've hired 20 more people, as I take it, Deputy Minister, and are addressing those backlogs. But I can say that happened because of the modernization.

From my perspective just looking at it, if you were to see it through my eyes, what I've seen over the last 11 days, many of our workers must have just walked away before, even though they may have been owed claims, because they felt they didn't have access to be able to put forth their claims. Now they can. We are working with them. What I don't have yet is that historical perspective. I do want to hear from the deputy minister about the lead-up to this modernization, what this modernization has meant, and the steps that we're also taking to address some of the backlogs with the claims.

The Chair (Mr. Tim Hudak): About a minute left.

Ms. Virginia West: The minister mentioned the various new approaches we're using with respect to employment standards, certainly using the central claims location in Sault Ste. Marie to help to make more efficient the resources there. They take claims from all across the province, because those who have a complaint or claim can now file electronically over the Internet, which therefore makes it available to them 24 hours a day, seven days a week. They are received in the claims centre.

There's an initial early resolution approach to try to address those claims early on, to triage them, so that if there's a way to get an effective response quickly, it can be done.

Once they pass that stage, then we have what are called decision-making meetings. Previously, what we had is that the officers would go out or phone the employer, ask for information, wait for the material to be provided, and then make a follow-up phone call to the

worker who's complaining. Now we have a method to bring the parties together into one room and try to work through quickly to see if there can be an early decision made so that, again, that processes the claim more quickly and gets the money back to the worker as required.

That will eventually, as we reduce the claims backlog, allow us to do more proactive inspections that will bring knowledge to employers, first of all, as to what their responsibilities are, and be a greater deterrent so that there will be fewer claims, hopefully, in the future because there will be a higher level of compliance with responsibilities.

The Chair (Mr. Tim Hudak): Terrific. Thank you, Deputy and Mr. Craiton. That concludes the time.

Another round of 20-minute segments, beginning with the official opposition. Mr. Bailey, you have 20 minutes.

Mr. Robert Bailey: Thank you, Mr. Chairman.

I'd like to refer to 1604-03, the Office of the Worker Advisor. It's under operating expenses, and just to give you a little background for my questions, "The Office of the Worker Advisor (OWA) is an independent operational service agency providing advice, representation and education to non-unionized injured workers and their survivors on issues arising under the Workplace Safety and Insurance Act, 1997 (WSIA)."

One of my first questions is, salaries and wages, according to the information I have, have increased 10% from the estimates of 2007-08—\$676,800. Employee benefits have also increased 10%, up \$135,000 from the estimates of 2007-08. Furthermore, the ministry anticipates spending an additional \$36,000 this year on transportation and communication, up 10% from the estimates of 2007-08.

Could the minister or his staff please tell this committee how many additional people are employed this year over last year by the Office of the Worker Advisor and what they are going to do with this extra money?

1720

Hon. Peter Fonseca: I thank the member for the question. I know it's one of the questions that I had early on in my meetings with ministry staff. I don't have those details here before me, but I do know that the ministry had an answer for me that we will be able to get here for the member.

Ms. Virginia West: Thank you, Minister. Perhaps what I can do is refer you to—the increase actually was in the 2007-08 budget because that was where the Office of the Worker Advisor did get \$1.4-million additional funding. That was intended initially to support the hiring of 5.5 FTE staff to that office, but what they also did was, they looked at further efficiencies through that period of time. Through those efficiencies, it allowed them to actually hire nine and a half new worker advisers and other program assistants and legal interpretation specialists. That allowed them, therefore, to improve their programs and actually to both improve their responsiveness to the people for whom they were providing service and representation, but also allowed them—as part of their screening criteria they had been not receiving requests

for assistance from a certain level. They were able to increase the screening criteria to allow consideration for those who had concerns and wanted assistance where there may not have been as great a chance of success; but now they were able to take some of those on and hopefully see success for the workers for whom they are providing representation.

Mr. Robert Bailey: Okay. Now, my numbers that I have here—moving on—say that the number of individual clients has actually decreased from 14,841 in 2004-05 to an estimated 13,000; for the year 2008 they're estimating these. So how can the minister justify his department increasing salaries, wages and benefits when the actual number of clients—if this is true—has decreased? Can you speak to that?

Ms. Virginia West: I can't speak specifically to that. Certainly, the Office of the Worker Adviser does provide the minister with commitments in terms of assistance provided. I see that there is a drop-off, but I think what may have happened there is that the complexity of the cases that the Office of the Worker Adviser is dealing with is that much greater, particularly in dealing with occupational disease. There have been some sites in which there have been significant increases in claims around occupational disease. That may be the primary reason why there may be fewer numbers but more intense service provided.

Mr. Robert Bailey: That was actually my next question here. According to the results-based plan, the Ontario worker adviser is handling more complex cases. So to elaborate further on that, do you feel that is why this number is 14%?

Ms. Virginia West: Exactly.

Mr. Robert Bailey: Could you describe some of these cases that they'd be dealing with now that would be new? Would this be asbestosis?

Ms. Virginia West: I couldn't speak specifically to what they are. We'd have to either have someone from the WSIB, because of course those are the cases that OWA is dealing with, or the Office of the Worker Adviser directly. But it would be a lot of both industrial and mining jobs—in the past there have been those hazards that hadn't been recognized at the time, and over a number of years a cumulative effect obviously would have the impact that would cause harm and concern to the individual worker. So I couldn't speak specifically to it, but the medical analysis required and information required to support a case before the board would be very complex, which would be a reason why you'd see fewer cases and much more time spent on those particular cases.

Mr. Robert Bailey: Okay. I've got another question here on the Office of the Employer Adviser. It says it's an operational service agency. Its mandate is to provide representation, advice and education services on workplace safety and health to employers in Ontario. This agency's mandate is to serve primarily those employers with fewer than 100 employees. Could the minister please explain to me and the committee today why the

OEA serves primarily those employers with fewer than 100 employees?

Hon. Peter Fonseca: As the member can appreciate, I don't have the details on that, although I believe some of the details are outlined here, in our results-based plan. But I'm going to ask the deputy minister again to provide more detail to why that is.

Ms. Virginia West: I think generally, the challenge for employers are those who operate small businesses and have a fewer number of employees. I think the policy reason behind it is, when one has to select where to provide the service, those would be the areas and the employers that would not have the same ability or capacity within their organizations to help them understand what their responsibilities and their rights are under WSIA. That's why we would look to focus resources and support on those smaller employers and therefore the employers that have less than 100 employees.

Mr. Robert Bailey: Okay. My next question is, according to the results-based plan, the salaries or wages are up \$188,000, which is an increase of 8.1% since last year's estimates. Employee benefits have also increased to \$148,000 or 34.5%. Could the minister or the deputy please tell the committee how much, if any, the employment in the Office of the Employer Adviser has increased since last year's estimates?

Hon. Peter Fonseca: Once again, I'm going to ask the deputy minister to provide more detail.

Ms. Virginia West: The size of the office itself hasn't increased. What the increase in budget would have been for would be the cumulative impact of business expenses and inflation over a number of years. The ministry in this budget was able to receive some funding to cushion off some of those effects over an accumulation of years. I think that's right: For the Office of the Employer Adviser, there are no new staff.

Mr. Robert Bailey: Okay. This is more of a union issue, but that's fine. It's to do with OPSEU, the OPPA, the Professional Engineers and the managerial people—I won't go into all the acronyms. Initially the government, from my understanding, was negotiating with OPSEU, who promised concessions in exchange for more members. The McGuinty government, apparently, and your department was involved in negotiations with these bargaining units. Could you, Minister, please explain to the committee the purpose and outline the government's case for change movement for this?

Hon. Peter Fonseca: I can't speak to any case. It would be inappropriate. What I can speak to, as I have, is how the labour relations in the province of Ontario have never been better. In the last 30 years, 97% of all our collective agreements were struck without any stoppage or strikes. I think this is a record. That is something we should all be proud of.

To bring fairness and stability to the workplace is one of our top priorities. We've had a track record that is very excellent, I'd have to say. We are going to continue to work with our employees and employers to be able to keep the record number of collective agreements high.

The best agreements are collective agreements, and it's something that my predecessors and the Premier have worked very hard at continuing to foster—this fair and stable climate when it comes to labour relations. I will continue with that good work.

Mr. Robert Bailey: I'm looking at the press release here from Warren "Smokey" Thomas, who's the president of OPSEU. In here it says, according to Mr. Thomas: "The government backtracked from discussions with OPSEU to modernize its labour relations, and instead signed an agreement with the association representing its supervisors that will restructure the Ontario Public Service and affect the rights of OPSEU."

"Smokey Thomas said he was very disappointed with the actions of the McGuinty Liberal government. 'The whole thing was a charade. They obviously went into these consultations with a predetermined outcome. If this is a harbinger of what's coming, Ontario is in for a rough ride in labour negotiations this winter.'"

Mr. Peter Kormos: Disappointed, Bob? I can tell you Smokey's hot. He's ticked.

Mr. Robert Bailey: Is he? Okay. He's more than disappointed.

At the talks, the government said that they had a "leading option"—this is according to OPSEU—and "they signed a backroom deal with AMAPCEO that included changes that would affect OPSEU's jurisdiction...."

"OPSEU has filed an unfair labour practice charge, demanding that Ontario Labour Relations Board declare the agreement invalid and pay \$5 million in damages...."

So my questions are, could the minister please clarify for this committee and myself what transpired and what steps the government is taking to resolve this conflict?

1730

Hon. Peter Fonseca: Well, first, I'd say to the member and the Chair that I'm not here to discuss ongoing negotiations and it would be inappropriate for me to do so.

The Chair (Mr. Tim Hudak): Anything further to Mr. Bailey's question?

Hon. Peter Fonseca: No.

Mr. Robert Bailey: Well, there's no use asking the rest of these; they all refer to the same thing. That's all I have.

The Chair (Mr. Tim Hudak): To the third party: Mr. Kormos, you have 20 minutes.

Mr. Peter Kormos: Thanks for letting me join you today, folks.

I've got to tell you, Minister, you're doing fine. I've watched you since 4 o'clock. You're going to have no problems in estimates. Oftentimes, new ministers are nervous or apprehensive or unsure about not having been briefed in all their areas. You're handling this no problem. If anything, it's been a good chunk of years since I've done estimates, so you're going to have to be patient with me.

The card-based certification was restored by your government for the construction trades. When did that legislation pass?

Hon. Peter Fonseca: The deputy believes it was 2005.

Mr. Peter Kormos: So that's been three years now. How's it going? Is it working well?

Hon. Peter Fonseca: In terms of that change, I'll ask the deputy to give further information as to how it is going.

Ms. Virginia West: Yes, with respect to card-based certification in construction, I think that it has gone quite well. We haven't received any specific complaints about it. Obviously there are others who have an interest beyond construction, but I think at the present time it has helped to rebalance the labour relations with respect to certification in Ontario.

Mr. Peter Kormos: How many certifications have occurred since the legislation passed?

Hon. Peter Fonseca: I'd ask the deputy or other ministry staff for those details.

Ms. Virginia West: Again, I don't think we have the specifics as to the number of certifications. We could get that for you, if you like.

Mr. Peter Kormos: I'd appreciate that, and perhaps some sense of the time frame within which those certifications—and obviously, I guess, any outstanding ones, ones that may not have been resolved yet.

Ms. Virginia West: Since June 2005?

Mr. Peter Kormos: Yes.

Do you know how many cards have been signed that have been relied upon for card-based certification?

Ms. Virginia West: Again, we wouldn't have it for you at this time.

Mr. Peter Kormos: But you can get me that?

Hon. Peter Fonseca: Can we get that information?

Ms. Virginia West: Sure.

Mr. Peter Kormos: So Pat Dillon doesn't have to worry about the government repealing that legislation?

Hon. Peter Fonseca: We've made that change, and it's working.

Mr. Peter Kormos: It's working well. Fairly?

Hon. Peter Fonseca: Well, what we wanted to do is make sure that we did restore those principles of balance and fairness to the workplace.

Mr. Peter Kormos: So it is providing fairness to those workers?

Hon. Peter Fonseca: Yes.

Mr. Peter Kormos: And it's providing balance for those workers?

Hon. Peter Fonseca: It is.

Mr. Peter Kormos: So it's a fair and balanced system. You're defending card-based certification?

Hon. Peter Fonseca: It was a change that was made for a sector that had specific needs because of the way the construction sector works. It's one that's very mobile, that has tight deadlines. Workers aren't always in one place for an extended period of time.

Mr. Peter Kormos: But does card-based certification have shortcomings that the government is concerned about?

Hon. Peter Fonseca: What I can tell you is how it's worked and why the decision was made to bring card-based certification into construction. That's what I can share with the member. That's the information that I do have. I look forward to getting out there in the field.

Mr. Peter Kormos: But does the government perceive any downside? Are there any concerns about card-based certification?

Hon. Peter Fonseca: Not with construction, no.

Mr. Peter Kormos: Because it's fair and it's balanced—no abuse of the system or the process?

Hon. Peter Fonseca: I don't have those details for you, so I'd have to get a briefing on it and find out how it has worked within the sector and what's come back to the ministry. That's what I can tell the member.

Mr. Peter Kormos: I don't want to misquote you, but I heard you talking to my colleague Mr. Bailey earlier about how the best agreements are ones that are collectively bargained.

Hon. Peter Fonseca: I believe that the best agreements are when parties come to the table to work to a mutual, collective agreement, yes.

Mr. Peter Kormos: That creates a more stable workplace, huh?

Hon. Peter Fonseca: It does, and that's what we've building. As I said, our record is a good one, and we've had the best labour relations in the last 30 years in this province.

Mr. Peter Kormos: But you did say, "Bringing fairness and stability to the workplace is our goal." I wrote that down when you said it, to make sure I didn't misquote you. Is that accurate?

Hon. Peter Fonseca: That is accurate.

Mr. Peter Kormos: How come card-based certification brings fairness and stability to the construction workplace but not to the workers at Wal-Mart?

Hon. Peter Fonseca: We did look at other sectors, and the current system—that is, to hold an OLRB-supervised vote to determine whether other workers want a union to represent them—is what is in place and is working.

I think I explained the nuances of construction to the member: how there is a lot of mobility, that projects often have tight deadlines, that workers may move from project to project.

Mr. Peter Kormos: That's why I was concerned if there are any risks or flaws in card-based certification, which is why you sort of weighed it in terms of pros and cons. Are there risks and flaws in card-based certification?

Hon. Peter Fonseca: As I explained to the member, what our government did was bring a balance and fairness to Ontario's labour laws. There was that change, and we can see, in terms of the outcomes, where 97% of our businesses are striking collective agreements without any stoppages, without any strikes. This has brought peace, stability and fairness to our workplaces, and we're going to continue to measure and continue to be there with our

mediators or others who are necessary to lend assistance to keep that record at a very high level.

Mr. Peter Kormos: What's wrong with the proposition of peace, fairness and stability for Wal-Mart workers? Why are you not interested in them having peace, fairness and stability?

Hon. Peter Fonseca: As I said to the member, the sectors that are looking at certification would hold an OLRB-supervised vote to determine whether workers want a union to represent them.

Mr. Peter Kormos: We had card-based certification for retail workers in this province for how long, Deputy Minister?

Ms. Virginia West: How long ago? I don't recall.

Mr. Peter Kormos: Longer than before you and I were working here at Queen's Park—for decades, haven't we?

Ms. Virginia West: I believe so.

Mr. Peter Kormos: That's right; it was Mike Harris and the Tories—you weren't here, Mr. Fonseca, but it was the notorious Bill 8 that repealed card-based certification for all workers. We restored card-based certification to construction workers. What plans does the ministry have for restoring card-based certification to other workers?

Hon. Peter Fonseca: I say to the member that the government of Ontario, under the leadership of Premier McGuinty, brought forward Bill 144. That restored powers to the Ontario Labour Relations Board and led, effectively, to handling situations where an employer or union was to violate labour law during any organizing campaign. We wanted to make sure we brought in those tools and made those changes.

For example, the OLRB is now able to order the interim reinstatement of employees fired during an organizing campaign. I'm sure that would help with your Wal-Mart example or others. In response to the worst cases of employer misconduct, the OLRB now has the power to remedially certify the union. This power is balanced by the OLRB's authority to remedially dismiss a certification application in cases of union misconduct. So a number of changes have been made. Bill 144 did restore that fairness and balance to the workplace.

The record around labour relations is excellent. We continue to work with our partners, employees and employers, to make sure that we have the type of collective agreements that we have had over the last few years. That's what I can say to the member. So the member should be happy—

Mr. Peter Kormos: Just in general or about this issue specifically?

1740

Hon. Peter Fonseca: Oh, of course in general, but about this issue, that there is the fairness, there are checks and balances there for both employee and employer, and we have addressed a concern for a sector that did have some special needs because of the mobility or short time at one particular workplace.

Mr. Peter Kormos: Good grief, Minister, I hear you telling me to be happy. We just lost 800 John Deere jobs; 200 at GDX, the old rubber plant. It's hard to be happy if you know these families down in Welland. You understand what I'm saying, huh?

Hon. Peter Fonseca: I say to the member to bring that here to this committee. Of course we are all saddened when anybody loses their job. The impact is great on an individual and the family. That's why our government has made many changes in regard to our working Ontarians to help in terms of finding a new job. We have a five-point plan that's working. At the heart of that plan is our people: making sure that they are well educated, skills-to-jobs, investments in infrastructure, being able to move those people and services.

We also have—and I ask the member to get on board—a fairness campaign for Ontario that's ongoing. I'm sure the member knows about it. It would mean a great deal to many of our workers, to those unemployed workers who have lost their jobs and maybe find themselves on EI, employment insurance. As the member knows, Ontario is shortchanged by \$4,600 compared to the rest of the country. This is blatantly unfair. I ask the member to get online, sign up to our campaign and make sure that he speaks to his federal counterpart in regard to getting—

Mr. Peter Kormos: Who happens to be a Liberal who has not said anything about this in 10 years.

Hon. Peter Fonseca: Actually, speak to all those running in this election from all parties about the importance of this issue, that we need those dollars here in Ontario; our workers deserve those dollars.

Mr. Peter Kormos: A day late and a dollar short. That resolution passed yesterday, unanimously.

Just to wrap this up—Chair, you don't mind?

The Chair (Mr. Tim Hudak): You have about eight minutes, Mr. Kormos.

Mr. Peter Kormos: I just want to know what plans the government has to restore card-based certification to the rest of the workers in Ontario.

Hon. Peter Fonseca: As I explained to the member, we have brought fairness and balance into the workplace. We have labour relations that have never been better in the last 30 years. Bill 144 did a lot to address that. I explained some of the outcomes of Bill 144, how it brought in the checks and balances to the workplace and really brought a balance to employees and employers. We're going to continue to move forward to work on behalf of all working Ontarians. I don't know if the member was here earlier when I shared and talked about how our number one resource is our people here in this province. We may not have oil, but we have great people, and we want to make sure they're healthy, safe, have places to work and are making us that much more competitive.

Mr. Peter Kormos: Unfortunately, I've got to ask you again: What plans does the government have to restore card-based certification to the rest of Ontario's workers?

Hon. Peter Fonseca: As I say to the member, the government brought forward Bill 144, which restored powers

to the Ontario Labour Relations Board to let it effectively handle situations between employer and employee when there are disagreements. That also brought a balance to the workplace. The member cited Wal-Mart—or any other types of cases that the member wants to cite. Right now, there are these checks. For example, I will repeat, the OLRB is now able to order the interim reinstatement of employees fired during any organizing campaign. In response to the worst cases of employer misconduct, the OLRB has the power to remedially certify the union. These are all positive steps for the workplace. With the balance, the power is also balanced by the OLRB's authority to remedially dismiss a certification application in cases of union misconduct.

I say to the member that we have brought balance to the workplace, we have brought fairness, we have brought stability. We are seeing some of the best numbers, when it comes to labour relations, that we've ever seen. We're committed to keeping those agreements over 95%. That's what I have to say to the member.

Mr. Peter Kormos: What percentage of Ontario's workers belong to a trade union in 2008?

Hon. Peter Fonseca: I do not have that detailed information, in terms of what percentage belong to a trade union. I'm not sure if the deputy minister would have that information.

Ms. Virginia West: I don't think I have it here.

Mr. Peter Kormos: Okay, fair enough. Obviously, it would be interesting—I mean, there's a distinction between private sector and public sector. I wonder, if you provide that information, if you could give us an indication of what percentage of workers are unionized in various sectors, in the obvious sectors in the private sector: manufacturing, retail—the usual categories. Could you do that for us?

Ms. Virginia West: Yes, we can.

Mr. Peter Kormos: I suppose it becomes more relevant if we see what the percentage is today as compared to what it was 10 and 20 years ago. Twenty years ago, you were just a young guy, but some of us weren't. So that would be particularly of interest. Could you do that?

Ms. Virginia West: We can show a comparison from 20 years ago.

Mr. Peter Kormos: Again, in terms of sector, as well.

Ms. Virginia West: Yes.

Mr. Peter Kormos: See, Minister, the workers at John Deere are not going to be voting to strike, because there aren't going to be any more contract negotiations. Do you understand what I'm saying?

The casino—Mr. Craiton is here—will tell you the casino is laying people off. That was the employer of last resort down where I come from in Niagara. You see, what happened was that when people lost their jobs at Atlas Steel or Union Carbide or Welland Tubes, they went to Niagara College and got trained to be slot machine technicians or blackjack dealers or security guards and then got hired by the casino. Well, you see, the casino is laying people off.

So there are no jobs in Niagara. You can train people to do anything you want them to; you can train the

daylights out of them. Like I've said not so much jestfully, but seriously, are you going to put these guys in a damned tutu and send them down the road to the ballet? I think not. These are already trained, experienced workers. This is the new generation of workers. They've got community college diplomas, university degrees. You know who they are, Chair. These are well-educated, trained, skilled workers. There are no jobs in Niagara, Minister. Nobody wants to collect EI, whether it's for twice as long as you're eligible now. All the training in the world means nothing if you're not training somebody to do a job that's available to them. I think that you in your heart are concerned about the plight of those workers, but it's not enough just to wring our hands.

Just in the House the other day, the Premier wrings his hands and says, "I feel your pain." Send them a damned Hallmark card that says the same thing for a buck and a quarter—I don't know what a Hallmark card costs.

Let's talk about anti-scab legislation. What plans does this government have to restore anti-scab legislation, in view of its interest to bring fairness and stability to the workplace?

Hon. Peter Fonseca: As I said to the member, this government is here to work toward health and safety in the workplace. We're here to make sure that we continue to have the labour relations that we've been able to build and continue to foster. Our employees and employers have never struck so many collective agreements as they are striking today, in terms of those that are mutually beneficial, that are done without any stoppage, that are done without any strikes.

The member brought up some of the challenges that are before Niagara, but those same challenges are affecting this entire country, and they are affecting, actually, the globe. The member knows that many of those things are outside of our control, be it the dollar vis-à-vis the US greenback, or what's happening with the price of oil. But what I can say is that the best place to invest is in skills, in knowledge, in our workforce.

I had a chance to actually visit Niagara College as Minister of Tourism and see their hospitality department and what they're doing in terms of their culinary department. I spoke to many of the students who were being gobbled up and hired at many places here in the province, some outside of the province. I think that they are doing a magnificent job.

We should speak highly to our educators, we should look to build opportunities for our students. We have a five-point plan, as I said, at the heart of which are investments in our human resources, making sure that we invest in our people. This is the best way to get through turbulent times, to be able to look to a brighter future. Those students, those minds, are the innovators of tomorrow. They are going to create the jobs.

I had a chance to visit many of the different wineries in both the Chair's and the member's ridings. Those wineries are very innovative, and they have transformed their businesses. We will continue to work with them, be it the employer or the employees, to deliver a competitive

workplace, be it in the services they deliver with the wineries, the wine tastings. You come from a very beautiful place, one of the most gorgeous places, I have to say, in the entire world, in this province.

The Chair (Mr. Tim Hudak): All right.

Mr. Peter Kormos: Chair, I just want—thank you very much. When does this committee meet again?

The Chair (Mr. Tim Hudak): We will meet again tomorrow at 4 p.m. We are concluding now, because I don't like to break up the blocks, where possible. We've used up approximately three hours and 30 minutes, so we have about four hours and 30 minutes remaining, which will mean we'll get through tomorrow and then resume next Tuesday.

I have two quick items of business.

First, I'd like the committee's permission to write a letter to the three House leaders. We have had a request from John Yakabuski, the energy critic, who, as members may know, has had hip replacement surgery and won't be able to make the energy estimates. I've spoken with Mr. Tabuns, on behalf of the third party, and with Minister Smitherman, and they both seem amenable to putting the energy ministry at the end of our estimates. I'm going to ask the House leaders for permission to meet for one additional week at the end of November. Instead of reporting back on November 20, we'd report back on November 27 so that we can get some hours of estimates in. If this is agreed to by the House leaders and members in the Legislature, the other ministries—agriculture, finance, and training—would still be on the days that are projected. We simply wouldn't meet on the days that energy was originally scheduled to meet. If it's voted down in the Legislature, then we'll proceed with the normal schedule. Is it okay with members if I try to arrange that deal with the House leaders?

Mr. Bob Delaney: Just as a point of clarification, would the ministry that's up after energy be amenable to switching places?

The Chair (Mr. Tim Hudak): It's a good suggestion. We did try that, and I understand, because the ministers will arrange their schedules around this, and it didn't work.

Mr. Bob Delaney: Okay.

The Chair (Mr. Tim Hudak): Okay? So I'll work with the clerk to draft that letter. If it works for the House leaders, terrific; if it doesn't, then we'll continue with the current schedule. Folks, thanks for your support on that.

I'd also ask you to consider and get back to me on, perhaps, a change after Thanksgiving. We tend to meet from 4 p.m. until 6. Given the way that routine proceedings have been proceeding under these new rules, we could start at 3:30 and go till 6. That may, from time to time, enable us to finish a day early on some estimates, or members may prefer the current system. So I'm asking for your viewpoints now and to maybe share them with me over the next couple of days. We could do 3:30 to 6 or maintain the 4 to 6, as it is the call of the Chair.

Folks, thanks very much. Until tomorrow at 4 p.m., we are adjourned.

The committee adjourned at 1753.

CONTENTS

Tuesday 30 September 2008

Ministry of Labour..... E-341

Hon. Peter Fonseca, minister

Ms. Virginia West, deputy minister

Ms. Susanna Zagar, assistant deputy minister, policy, program development
and dispute resolution services division

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